Modernization in Canadian Mining p. 15-25

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The Nation's Business

Paying For the War the Wise Way

The Minister of Finance called on the nation this week to make its greatest effort to accomplish two things:

1. To provide the monetary sinews of Canada's share in the most costly war on record.

2. To do it the "hard" way; the way of sacrifice, eschewing all facile formulae and, above all, rejecting utterly the idea of paying for the war by inflation.

To such an appeal the response of the Canadian people will be all that Mr. Ilsley could ask.

* * *

Already this war has cost Canada almost $200 millions more than the Great War cost us from the outbreak of hostilities to the beginning of the March offensive in 1918.

For this fiscal year alone our war budget is more than our war costs for the whole of the last war and the first six months of demobilization.

These figures tell the story:

CANADA'S WAR EXPENDITURES
Years to March 31

World War I		World War II	
1915	$ 60.8 millions	1940	$ 118.3 millions
1916	166.2 millions	1941	791.9 millions
1917	306.5 millions	1942	1,450 millions
1918	343.8 millions		
1919	446.5 millions		
1920	346.6 millions		

Not including aid to U. K. of $795 millions in 1941 and $1,150 millions (gross) in 1942.

It cannot be said that we are spending the money gladly. But no citizen will grudge his share, if he feels it is being spent according to a well-conceived Plan for Victory, enmeshed finely with that of Britain and being carried into execution by a government thoroughly representative of Canada's spirit of resolute purpose.

Canadians will pay any price to win. For victory Mr. Ilsley's taxes and loans are not too high a cost.

* * *

The figures in Mr. Ilsley's budget this week are figures of a grosser size than have ever before appeared in the books of Canadian public finance.

The taxes are taxes such as the people of this country have never before been called upon to bear. They are taxes that make a shambles of our standards of living; they mean harsh self-denial by everyone.

The loans that must be raised will demand a nation-wide "doing without" in order that money may be saved and loaned for victory.

* * *

Does Prime Minister King see the inevitable consequence of all this sacrifice, necessarily exacted, ungrudgingly paid?

Does it not compel him to consider seriously whether he has given this country a War Cabinet worthy of a people who are ready to make such sacrifices?

The risks we are running as a nation are too great. . . . Risks of grumbling by people that their dollars are being spent by a Cabinet that includes too many ministers who no longer hold public confidence. . . . Risks that perhaps the lack of a well-defined Plan in our war activities may cause much of the effort to be wasted and much of the money to be ineffectively spent. . . . Risks that people may feel that the Government itself is not curtailing unnecessary non-war expenditures as drastically as it is asking them to reduce theirs. . . . Risks that war loan campaigns may fail because there is little inspiration in our war leadership except such as we derive from Churchill, Roosevelt and leaders outside of Canada.

Does Mr. King not know that such fears trouble the minds of the men and women of Canada? Let him travel through the streets and lanes of Canada and he will learn.

There was never a more courageous public document issued in Canada that this week's war budget of the Minister of Finance. It met the facts head on. The Prime Minister might consider extending the principle to the larger issue of the administration of Canada's war effort as a whole.

* * *

MR. HOWE BELITTLES AUSTRALIA

"I often wonder why some of my fellow citizens seem to take pleasure in belittling Canada's effort in the production of war munitions," said Hon. C. D. Howe in a speech in Toronto last week.

If there is any "belittling," the Minister of Munitions and Supply is right to protest against it. The Financial Post has not observed much belittling. There has been criticism of some phases of the programme but no belittling, by responsible parties in Canada, of the enormous production totals reached by Canadian industry and Canadian workmen.

It is most unfortunate that Mr. Howe, himself, while protesting against "belittling" of Canada's munitions output, should have gone out of his way to belittle Australia's munitions programme.

This he did while protesting that such was not his intention. He said:

> "None of us will be disposed to belittle the effort of Australia or to doubt that it is a 'full out' effort. I would, however, call your attention to a recent statement by Premier Menzies that in the current fiscal year, Australia would produce munitions to a value of $100 millions and at the same time remind you that we estimate the value of Canada's production of munitions in the same period at $1.5 billions, or 15 times as great."

It is hard to find supporting evidence for Mr. Howe's comparison. The other day, Mr. Howe's department issued a statement showin that total contracts and commitments by his department, from July, 1939, to March 31, 1941, totalled $1.5 billions. The statement did not claim that this value of guns, planes, shells, explosives, etc. had been or would be produced within any one 12 months period. The figure represented all capital commitments plus orders placed from the beginning of the war to March 31. The time consumed in actual production would vary with the different items.

Either way it was an impressive figure.

On Feb. 21 last, the Australian Prime Minister, speaking in Britain, announced that his Munitions Department was now working on a programme—and he was sure it would be encompassed within two years—of £120 millions.

That is $430 millions at current rates of exchange, or an average of $215 millions per year.

Since Mr. Menzies spoke Australia has expanded its programme.

Mr. Menzies also said, the other day, that Australia's industrial war production is now 20 times greater than at the outbreak of war and before the end of 1941 will be 60 times greater. An official government bulletin gives Australia's pre-war munitions production (1937-38) at over $7 millions yearly production. Over 150,000 are now employed directly or indirectly on munitions.

Australia has not released an official figure comparable with Canada's capital commitments and "orders" of $1.5 billions but the above figures raise some doubts as to whether the disparity in production between the two countries is anywhere near 15 to 1.

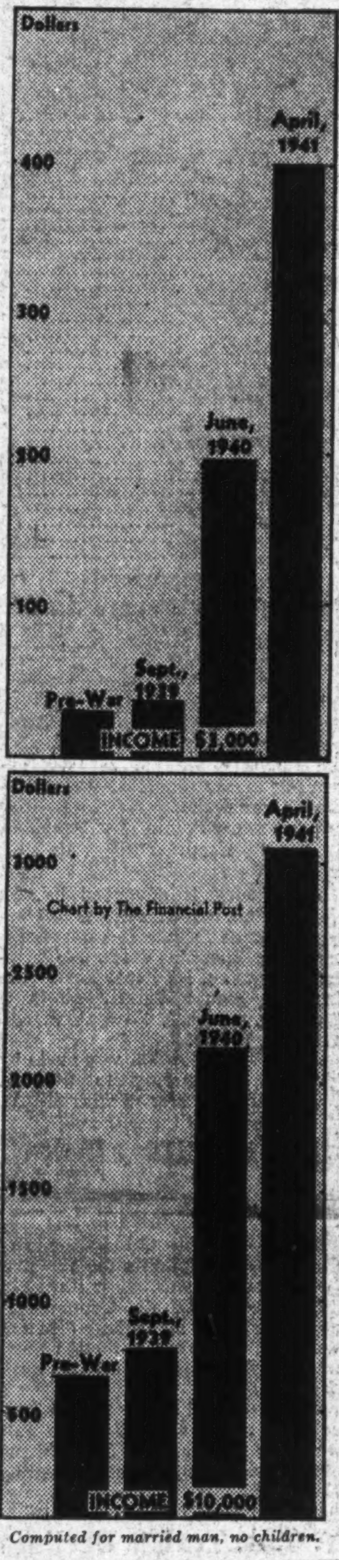
If Canada is actually producing munitions at a rate 15 times as great as Australia we'd like more evidence of it. The truth is that both countries are producing magnificent totals—Australia whose prewar industrial output was $1.7 billions and Canada whose industrial capacity and output was nearly twice as great.

The Deepest-Digging Budget

In Planning to Raise Up to 80% of All Outlay by Taxes, Ottawa Clings to Avowed Anti-inflationary Policy

How Your Income Tax Has Soared

National Defense Tax included.



Computed for married man, no children.

Canada's deepest-digging war budget sets out to raise 73 to 79% of Dominion expenditures, war and non-war, by taxation.

Such a programme is almost unprecedented in the war finance of nations.

In the last war Canada raised 47% of its total expenditures from taxation (other casual revenues being counted as taxes).

In the year just closed Canada raised 61% of its total budget by taxation.

In the last war Canada wrote over 50% of its expenditures into the national debt.

The Minister of Finance plans this year to charge only 21 to 27% to "posterity."

Thus has Hon. J. L. Ilsley asked of the Canadian people a heroic effort to stand fast by the war finance policy laid down by him on September 12, 1939: to pay as much as possible of the bills as incurred and avoid the primrose path of debt and inflation.

Not only in the size of the tax budget but in its form did the Minister fashion check-reins to inflation. Other tight curbs on inflationary forces, always inherent in war finance, were:

Income and national defense taxes at the level of sacrifice for all classes in the community, with a possible top rate of 96%.

Canada's first major attack on "payroll" incomes in the form of a minimum total income-N.D.T. levy of 10% above exemption levels; plus taxes on the chief sources of the people's amusements: gasoline and movies.

Continuation of restrictions on the use of American dollar exchange for imports and "pleasure" travel.

Control of new capital investments.

Mr. Ilsley's budget was cleverly contrived, not only to check inflation but to do two other things:

To make the people know they were being taxed. He rejected an increase in the sales tax (which people do not see) in favor of taxes they pay themselves in cash.

To load the burden on those getting steadier employment and higher incomes out of the war and leave it off those who are war casualties: farmers, for instance.

Incidentally squeezed in the process were those white collar workers who have lost income out of the war but have to pay sacrificially anyway.

The overall Dominion financial burden for the year to March 31, 1942, was shown by the budget to be:

For non-war purposes	$ 468			millions
For Canada's war costs	1,300	to	1,450	millions
To help out Britain (net)	900			millions
A total of	$2,668	to	$2,818	millions

The lower figure is $222 for every man, woman and child in Canada.

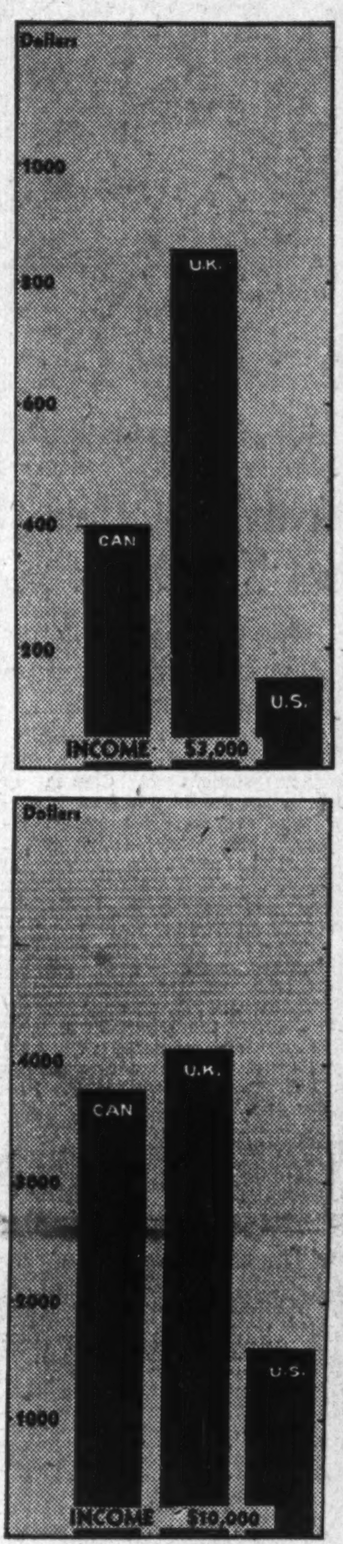
This is how Mr. Ilsley proposes to pay the bills:

From present taxation	$1,150			millions
From new taxation	250			millions
By borrowing on war savings certificates, non-interest bearing loans and from government funds	200			millions
By Victory loans and other borrowing	1,068	to	$1,218	millions

Noteworthy is the fact that the $900 millions of estimated aid to Britain is included in the budget, an intention not apparent at Ottawa a month ago. Noteworthy also is that this item is $250 millions less than Prime Minister King's recent estimate. This suggests that the remain-

(Continued on page 2, col. 4)

Present Income Tax Can., U.K. and U.S.



Computed for married man, no children.

The War And Business . . A Weekly Round-up

The Budget

Any hopes that the recent Hyde Park pact would substantially relieve the war burden on Canadian business were largely dissipated in the budget this week. Finance Minister Ilsley readily admitted the great help to our difficult exchange situation expected from that pact but he also reported that our shortage of American dollars was larger than the average person supposed.

From the beginning of the war until the end of the last fiscal year (March 31, 1941) our total deficit in balance of trade with the U.S. amounted to $477 millions. With imports from the States soaring steadily, despite restrictions on non-war items, a deficit of $467 millions is indicated for the current year.

This substantial deficit, it is expected, will eat up most if not all the benefit Canada is to get from the Hyde Park pact in the way of war exports to the U.S. and the elimination of further Canadian financing of necessary American imports of parts and materials needed for filling British war orders in Canada. Apparently the authorities have no hopes of any surplus American dollars being left for Canadian pleasure travel in the States.

As for other war costs Mr. Ilsley indicated no change from previous estimates. Canada's direct contribution in the current fiscal year, he said, will total up to $1.45 billions and a large share of Great Britain's expected $1.5 billion import from Canada will have to be financed by Ottawa.

For the time being at any rate Ottawa expects that every dollar that Canadian business can raise or save, through heavier taxes, war loans and the sacrifice of nonessential buying, will be needed for the war effort.

* * *

War Production Progress

Canada's war production programme was reviewed by Munitions Minister C. D. Howe in Toronto last week. Briefly Mr. Howe reported progress as follows:

Shipbuilding — Completed or building 110 corvettes, 60 steel minesweepers, and will continue construction of such in St. Lawrence and Great Lakes shipyards. Contracts placed for 26 freighters, mostly 10,000 tons, and within a month orders expected to be trebled. This construction and permanent repair work for Britain to be concentrated in coastal shipyards.

Ammunition — All shell plants in full production; new small arms ammunition plants completed; two of three new large explosive plants in full production; four shell filling projects under construction, most new chemical plants in full production.

Motor transport — Motor industry to make new light high speed tank; output of universal carriers in considerable volume. Canada has shipped motor transport to every country in Empire.

Guns — Capital investment in new plant now $400 millions. Canada has undertaken to manufacture every line from army rifle to 6-inch naval gun. New plants now coming into production and "by mid-summer guns will represent our largest munitions export."

Tanks—Two new heavy types in production and by next month infantry tank in substantial production; by midsummer the cruiser tank in volume production.

Airplanes—Present output about 45 planes a week, 40% fighter and 60% trainer. Total number of employees in industry now estimated at 22,000 from 1,000 at beginning of war.

Machine tools—Production will be 15 times pre-war rate in 1941, but even with this 90% must be imported.

* * *

Recruits Wanted

Ottawa's decision to pep up recruiting and hold indefinitely for home defense the first batch of four month trainees, indicates that for the first time since the war began output of equipment is finally catching up with manpower available for the armed forces. Until very recently there have been wide complaints of inadequate equipment. Men were being trained on guns and tanks left over from the first Great War of 25 years ago.

Of course the whole enlistment situation has been complicated by the fact that as yet Canada's fighting forces have barely been engaged. There have been no casualties to speak of and hence no necessity for a steady and heavy stream of reinforcements.

* * *

Save Manpower?

Much more economic use of man power is envisaged in the move to hold the four months trainees indefinitely. There will now be an opportunity for real training, the four months period having been generally criticized as too short to develop a modern soldier.

There should be less interruption too, in the supply of industrial labor. Man power is getting extremely short in Canada and the situation was not going to be helped by taking thousands of young men out of the labor market each month, putting them into the army for some preliminary training, then turning them back again.

* * *

U. S. Ready to Act?

Key speeches by three Americans, Messrs. La Guardia, Knox and Hull, in the last few days are interpreted in influential Washington circles as preparation for a vital announcement by President Roosevelt, perhaps in his address scheduled for this Sunday. For weeks American officials are known to have been working on plans for safe delivery of military equipment to Britain, and the final plan is expected to be outlined by the President almost anytime now. An inkling of the details are furnished in the three speeches mentioned.

* * *

American Opinion

Ex-Col. Lindbergh's publicly expressed belief that Great Britain cannot win the war is not shared by the average American, according to the latest Gallup poll. Even after the recent Balkan invasion some 57% of the answers received in Gallup's continuous survey expressed the belief that Britain would win, as against only 11% for Germany and Italy. Almost 25% were undecided. In the same poll over 70% replied that Britain should keep on fighting and not attempt a patch-up peace.

Hitler's Balkan success, however, did have some adverse effect on U. S. public opinion according to this survey. Before the latest German drive, for example, 78% expressed the opinion that Britain would win and 12% were undecided against 57 and 24% respectively after the collapse of Greece.

* * *

Hitler's New Subjects—

It is hard to realize that it is just a little more than three years since Hitler started his conquest of Europe. In March, 1938, he marched into Austria. Since then he has overrun over three quarters of Europe, has brought 150 million people under his sway. Annexed, occupied or dominated have been the following countries and their populations:

	Population	Square miles
Austria	6,500,000	32,000
Sudetenland	3,500,000	10,500
Czecho-Slovakia	9,500,000	34,000
Memel	150,000	830
Poland and Danzig	22,000,000	73,500
Denmark	3,750,000	16,575
Norway	2,700,000	75,333
Luxembourg	300,000	999
Belgium	8,400,000	11,775
France (occupied)	27,800,000	117,000
Rumania	19,003,363	113,886
Hungary	8,688,349	35,911
Bulgaria	6,170,309	39,814
Jugoslavia	16,200,038	95,558
Greece	7,196,900	50,257
Total gains	150,558,950	720,642

From these conquered peoples, annual tribute in money or its equivalent to the tune of £1,050 millions is extracted or more than eight times the amount of reparations demanded of Germany in the Young Plan after the first Great War.

* * *

—Are Organized Against Us

Norway pays £68 millions, or £25 for each citizen. Denmark pays £26 millions, or £8 per person. Belgium pays £75 millions, £8 per person. Holland pays £54 millions, or £6 each. France pays £827 millions, £20 per person. Five nations, once Britain's allies, are thus contributing more than $4 billions per year, under duress, toward Britain's defeat. "That" says a recent Whaley-Eaton letter, "more than matches American aid to Britain under Lease-Lend so far."

Nor is this all. Armament and other plants in all these occupied countries have been turned to producing equipment and material for the conquerors. "It is yet to be established," argues Whaley-Eaton, "that Anglo-American joint production can exceed Germany's Hitler's next year. No matter on how many fronts he fights just now, Hitler is menaced by no shortage of supplies, although his transport problems may be difficult. In addition to good equipment, Hitler also has good generals."

If anyone had any doubt that there was danger of us piling up too many shells, or turning out too many planes or tanks this sober warning should quickly dispel such notions.

New Company Taxes Hit Low-Pay Firms

Higher General Levy to be Felt Hardest by Concerns Hitherto Subject to Minimum Imposts On Excess Profits

New Dominion corporation taxes will be felt hardest by those companies which would have paid minimum excess profits taxes under the former act.

As there is no change in the maximum excess profits tax rate of 75% of the amount by which taxable income exceeds the average for the base period, companies with growing earnings are not likely to note much change.

Under the old scale, companies paid the higher of 12% of taxable income or 75% of the excess over the standard profit. Now the minimum rate becomes 22%. Adding the new excess profits tax minimum to the regular corporation income tax of 18% for non-consolidated returns and 20% for those made on a consolidated basis, it is seen that the effective minimum rate of corporation income tax will be 40% or 42%, depending on whether or not tax returns are made on a consolidated basis or not.

Provinces Question Mark

Complications are brought in by the uncertainty as to what action the provinces will take over the Dominion's request that they vacate the corporation and personal income tax fields. All provinces levy taxes on corporations but at varying rates. In Ontario and Quebec, where corporation taxes bulk largest, the rate on income is 5%. If these provinces accept the request of the Minister of Finance, then corporations will not have to pay this 5% and their maximum rate will be reduced by a corresponding amount.

Apparently this would mean that the maximum rate of income taxation in Ontario and Quebec would become 79.5% instead of the existing 84.5%. The provincial taxes include many other forms of flat rate taxation which would be eliminated under the proposed deal, only to be replaced by special Dominion taxes where it appeared that tax burdens were being lowered. Mr. Ilsley promised that there would be no cases of lower taxation.

Stable Earnings Hit Most

Companies with stable earnings, such as banks, trust companies and certain consumer industries appear likely to feel the increased rates most. Under the old excess profits tax, taxable income had to increase 24.24% over the standard profit before the taxes payable under the 75% rate exceeded the flat 12% minimum tax. This was the dividing line between companies paying the 12% rate and those that had to go to the 75% tax.

Now a new dividing line will have to be worked out, one that is well above the old 24.24% gain.

This new cut-off line is calculated to be between 55% and 56% above the standard profit. In other words, if Bell Telephone Co. reports taxable income for 1941 55% above its average for the four year 1936-39 inclusive it will have to pay combined corporation income and excess profits taxes at 40%. But if its taxable income is 56% above the standard profit, then it will have to pay regular 18% corporation income tax plus 75% on the excess.

Take the example of 20 leading trust and loan companies which had aggregate taxable income of $2.4 millions in 1940. This group paid in-

(Continued on page 2, col. 4)

Net of British Aid Adds $900 Millions to Budget

From Our Own Correspondent

OTTAWA.—Magnitude of Canada's foreign exchange problem in the coming year, to meet a mounting need for U. S. dollars and at the same time finance about $1 billion of British deficit on buying here, was bluntly outlined by Finance Minister Ilsley in his budget address.

Highlights of Mr. Ilsley's presentation of the main phases of this problem were:

1. Britain's deficit in balance of payments with Canada this fiscal year was earlier estimated by Prime Minister King at $1,150 millions. Mr. Ilsley estimates this will mean a net budgetary burden of $800-$900 millions, after allowing for use of capital assets to adjust the U. S. exchange deficit. Temporarily, at least, the Dominion will have to provide Canadian dollars to carry all of this. The Finance Minister gave no indication of how much—if any—of this or the larger gross deficit will be absorbed by gold transfers or paying off with British-held Canadian securities; how much left standing as a claim of sterling balances for post-war settlement.

2. Canada is already carrying nearly $210 millions of such unpaid balances as the final net deficit on British-Canadian account from start of the war to the end of March, 1941. This was over a quarter of the total deficiency to date in British balance of payments with Canada, the remaining three-quarters being met by transfers of gold or repatriation of Canadian securities. There have been no gold shipments since December, 1940, and Mr. Ilsley gave no intimation of any further transfers of Canadian securities.

3. The Finance Minister estimated Canada's deficiency of American dollars in exchange account with the United States, current and capital payments, at $478 millions in the current fiscal year. He declared it difficult to estimate how far this deficit could be met by the recent King-Roosevelt agreement to ease Canada's dollar shortage. But he warned that this deal "does not remove all need for conservation of foreign exchange," and that it would be "foolish to assume" it meant parity of the Canadian and U. S. dollars or lifting the ban on Canadian pleasure travel in the United States.

Special Exchange Aids

Mr. Ilsley also threw light on how Canada had grappled with its two-way exchange problem by mobilizing internal resources to meet in-

(Continued on page 13, col. 3)

Budget Would Force Sirois Recognition

OTTAWA.—"In case there may be any lingering doubts I should like to state categorically that the question of the Sirois report will not be reopened at the instance of this Government until after the war at least."

Thus stated Finance Minister Ilsley in his budget address this week. But the Sirois report emphatically is not dead. Something very similar to the abortive conference last winter on that report is again expected shortly at Ottawa. What could not be achieved by negotiation then has now been put forward practically in the form of ultimatum.

Invade Provincial Field

After announcing his further stiff increases in personal and corporation income taxes and a three cents per gallon levy on gasoline, hitherto not taxed directly by the Dominion, Mr. Ilsley then outlined a proposition to the provincial authorities to avoid duplication and serious discrimination. This proposition is strikingly similar to the offer proposed for the Dominion authorities in the 24-hour conference on the Sirois report last winter.

An Offer

Mr. Ilsley suggested that all provinces should, for the duration of the war only, withdraw from the income tax field. In compensation he offered to pay them for the period covered an amount equal to:

(a) The revenues which the province and its municipalities actually obtained from these sources during the fiscal year ending nearest to Dec. 1, 1940, or

(b) The cost of the net debt service actually paid by the province during the fiscal year ending nearest to Dec. 1, 1940 (not including contributions to sinking funds), less the revenue obtained from succession duties during that period.

And to those same provinces that will agree not to raise their present gasoline taxes, the Dominion Government also would guarantee an amount equivalent to the revenue which they actually received from the tax during the fiscal year ended nearest to Dec. 1, 1940.

And after this wand comes the big stick.

If the provinces accept the new proposal, then all these taxes will be uniform throughout the Dominion. If they don't accept, then Ottawa declares it will go ahead with its new levies anyway and these will be superimposed on existing provincial taxes.

So far no definite indication of the

(Continued on page 2, col. 5)

ENGLISH HAT NEWS FROM EATON'S

Crush it!
Twist it!
Re-shape it!

the "ROLLAWAY" by CHRISTY of LONDON

Many a well-dressed Torontonian will be heartened by the news that we have fresh stocks of Christy "Rollaways" on hand ... convoyed from England for Canadian summer wear! This is the famous hat that comes up smiling from practically every kind of abuse. It's a well styled, debonair hat made from fine quality fur felt that can be easily shaped to suit your fancy. Very light weight . . . many of the newest shades to choose from! Sizes 6¾ to 7½.

EACH 7.50

Main Store—Main Floor

THE T. EATON C° LIMITED
TORONTO CANADA

C. P. R. Reports Record Quarter

Net of $8.5 Millions Exceeds Previous 1928 High

From Our Own Correspondent

MONTREAL.—Swollen by high revenues in March, net earnings of Canadian Pacific Railway Co. reached the highest level on record for the first quarter of the year.

Net for the three months totalled $8.5 millions, compared with $5.3 millions in the first quarter of 1940, and $8.4 millions in the first three months of 1928, previous record quarter.

March Revenue

Gross earnings in March amounted to $16.6 millions, an increase of $5.1 millions over March last year. Operating expenses were $13.4 millions, an increase of $3.4 millions over the same month last year. Net earnings rose from $1.5 million to $3.4 millions.

Operating Statement	1941	1940
March:	$	$
Gross earnings	16,619,975	11,477,555
Less: Oper. exp.	13,373,900	9,975,994
Net earnings	3,246,075	1,501,561
Three Months Ended Mar. 31:		
Gross earnings	45,412,659	35,637,519
Less: Oper. exp.	36,892,253	30,335,030
Net earnings	8,520,406	5,302,489

Internat. Metal Sales Rising

Expect 1941 Net to Equal That of Last Year

Expectation is that 1941 will show increased sales for International Metal Industries Ltd., according to W. E. Maun, vice-president and general manager. Higher taxes and costs, however, are likely to be such that net profits are unlikely to be much changed from 1940.

Last year the company earned $16.93 on its combined preference and preference class A stock; $10.79 in 1938. Maintenance of profits in 1940 at around this level should permit further reduction in arrears on these two stocks which are now $13 a share.

Head office has been changed from Woodstock, Ont., to Charlottetown, P.E.I.

Commodities

After a gradual but steady rise for several weeks the advance in commodity prices appears to have flattened out for the time being.

In some quarters the influence of the U. S. Government's farm assistance programme to support prices of wheat, cotton and corn has about spent itself.

Prices of other commodities, including those brought from abroad, however, are bound to be affected still by the shipping situation, which seems likely to be worse before it is better.

	Latest week	Previous week	Same week last yr.
Cattle	$9.35	$9.35	$7.50
Hogs	11.40	11.50	11.00
Copper, lb.	.12	.12	.11⅛
Cotton, lb.	.1134	.1143	.1118
Rubber, lb.	.23	.23	.1950
Silk, lb.	2.81½	2.83	2.66
Sugar, raw, lb.	.0335	.0337	.0284
Wheat, Man. (bu.)	.75¾	.75½	.89⅝
Coffee, lb.	.06¾	.06¾	.05½
Hides	.14¾	.14¾	.13¾
Weekly Indices			
Canada (D.B.S.)	86.5	86.5	83.2
Do., Wood, Gundy	69.7	70.2	67.4
U. S. Labor	83.0	82.9	78.5
Dow Jones (future)	63.35	63.27	61.14
Fishers'	89.9	89.7	84.8
Monthly Indices			
Canada (D.B.S.):			
Retail (Mar.)*	108.2	108.2	104.6
W'sale (Feb.)	85.2	84.6	82.8
U. S. (Feb.)	80.6	80.8	78.7
Gt. Brit. (Dec.)	148.2	146.9	102.8

Note:—The base of indices is that 1926 equals 100. *Base 1935-39=100. The British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-P. A. basis. Hides—No. 1 packer light.

TELEPHONE STOCK

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada advises 253 additional shares have been issued under the employees stock plan. This brings the total number of shares outstanding to 825,372.

Quarter Up 40% For Steel Wares

In the first quarter of 1941 operations of General Steel Wares Ltd. have run about 40% ahead of the corresponding 1940 quarter, with no slackening in activity in sight, according to F. S. Corrigan, vice-president and general manager.

Participating dividend of 27 cents per share on the preferred stock will be paid along with the regular $1.75 quarterly payment on May 20, to shareholders of record May 8. The participating dividend is in respect of 1940 earnings, in accordance with the 1937 plan for settling arrears on the 7% preferred stock. In addition to regular cumulative payments of 7%, the preferred is entitled to 10% of net profits after preferred requirements have been deducted.

Law Hits Outdoor Advertising

From Our Own Correspondent

MONTREAL. — Under Quebec's amended liquor act advertising is restricted. Alcoholic liquor cannot be advertised as beneficial to health, magazine and newspaper advertising is not affected, but use of signs and posters is restricted to within building so as not to be visible from outside. No further outdoor signs or posters may be put up. Illuminated signs outside of cities are to be removed by May 1, 1944, and all other signs and posters as from May 1, 1942. There is a general tightening up on permit holders and detailed classification of restaurants and cafes, as well as hotels.

Dominion Tar Common Dividend Improbable

From Our Own Correspondent

MONTREAL. — Because of its policy of broadening interests and maintaining a strong liquid position in face of rising taxation, dividends on the common stock are improbable, Lionel O. P. Walsh, president of Dominion Tar & Chemical Co., stated at the annual meeting.

Widening company interests have resulted in increased earnings from more diversified sources, the president stated. In 1940 earnings reached record levels.

Charles Gurd Co. Defers Preferred Dividend

From Our Own Correspondent

MONTREAL. — Action on the quarterly dividend on preferred stock of Charles Gurd & Co., usually paid May 15, has been deferred. Previous quarterly payment of $1.75 a share was made Feb. 15, 1941.

Action was taken to conserve working capital in view of rising costs of raw materials, labor and heavier taxes, it is explained.

Aluminium Ltd. Pay $2 On Common Stock

From Our Own Correspondent

MONTREAL.—Directors of Aluminium Ltd. have declared the following dividends: $1.50 U. S. funds on the preferred stock, payable June 1 to shareholders of record May 10; and $2 Canadian funds on the common stock, payable June 5, record May 15.

Textile Activity At High Point

From Our Own Correspondent

MONTREAL.—Consumption of cotton by Canadian mills for March was higher than any month last year. There were 45,515 bales of 500 lb. gross weight opened during the month, according to the Cotton Institute of Canada. This compares with 44,911 bales in February, and 44,464 in March, 1940. The March total represents a peak since the Institute started to compile statistics in 1937. Second highest month was in May, 1940, when there were 45,020 bales opened by Canadian mills.

Index of activity amounted to 174.7, compared with 169.6 in February, and 175 in March, 1940.

Central Stations Set New Mark

Output of Firm Power For Consumption Sets All-time Record

From Our Own Correspondent

MONTREAL.—Output of central electric stations in Canada in March was the third highest monthly total ever reported by the industry, being exceeded only in May, 1940, and January, 1941. On the other hand, production of firm power for consumption in Canada reached an all-time record.

Output last month was 2,632 million kw.h., compared with 2,426 million kw.h. in March, 1940.

Production of firm power for consumption in the Dominion at 2,194 million kw.h. compared with 2,009 million kw.h. in February and 2,188 million kw.h. in January, the previous peak.

Exports of electrical energy to the United States last month at 201.6 million kw.h. compares with 155.4 million kw.h. last year and is the highest of any month since July last.

March (Thousands Kilowatt Hours)

	1941 Output	1941 Net Consumption
P. E. I.	665	665
N. S.	38,582	38,582
N. B.	30,335	28,159
Que.	1,374,267	929,575
Ont.	806,050	844,011
Man.	117,236	89,039
Sask.	48,824	48,824
Alta.	23,528	25,508
B. C.	192,322	190,010
Total	2,631,809	2,194,373

New Brunswick Creates Butter Price Control

From Our Own Correspondent

MONTREAL. — New Brunswick has established a provincial butter board which will fix the minimum price of wholesale creamery butter under provision of the Natural Products Control Act.

The plan under which the butter board has been set up was made at request of the New Brunswick Dairyman's Association. The board will have the power to set a minimum price for the wholesale price of creamery butter but will not have power to set the retail price.

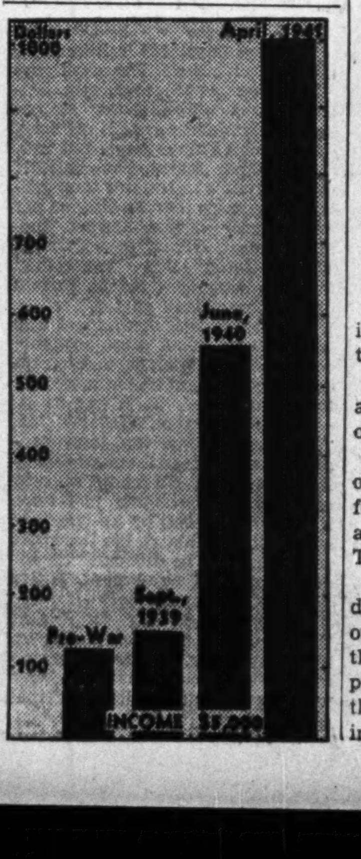
An advisory board, consisting of representatives from each creamery in the province, will function in conjunction with it.

Dosco 1940 Net Profit Drops to $1.15 a Share

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp. reports 1940 operating profit of $3,155,683, about $200,000 over 1939. Net profit of $1,157,006 was equal to $1.15 a share against $1,332,599 and $1.28 the year before.

Balance sheet shows working capital up from $9.7 millions to $11 millions. Inventory rose from $8.7 millions to $11.4 millions, and accounts receivable from $4.5 millions to $7.5 millions.



Ottawa Takes Over Control Of Steel Plant to End Strike

Acting drastically under wartime powers, the Government this week took over control of operations of the main plant of National Steel Car Corp at Hamilton to break the strike deadlock that had held up production at this big war supply factory.

The strike was promptly ended when E. J. Brunning of Montreal, appointed controller to run the plant for the Government, directed reinstatement of the single employee whose discharge was used as reason for the strike. Several hundred of the 2,700 workers at the plant struck when the company refused to rehire the man, who is president of the local branch of the Steel Workers Organizing Committee (C.I.O.), as recommended by a conciliation board.

Ottawa's action was not only to break the deadlock at National Steel Car's plant, but to avert threatened sympathy strikes or "work holidays" at big steel plants in the Maritimes and at Sault Ste. Marie. In announcing the taking over of the Steel Car plant, Hon. C. D. Howe, Minister of Munitions & Supply, said that the company's refusal to rehire one man seemed "unreasonable."

Mr. Howe declared flatly that the Government was ready to follow the Steel Car precedent with similar action in other cases, where "either employers or employees adopt an unreasonable attitude which holds up war production." The findings of a board of conciliation must be supported by "drastic action if warranted," Mr. Howe asserted, when these findings are not implemented by either employers or workers.

Company Taxes Hit Low Brackets

(Continued from page 1)

come taxes totalling $692,000, or 29.4% on net earnings.

But in 1941, assuming that net earnings remain at the same level, taxes would come to 40%, or $943,000.

In the aggregate, this group paid total dividends of $1.3 million last year and had a surplus left over of $345,000. On the same basis, but allowing for the higher tax rate, they would have had a surplus after taxes and dividends of $194,000 last year.

Halt Double Taxation

Important to all investment trusts in Canada is the provision that exempts such companies from excess profits tax entirely. Regarding this point Mr. Ilsley said:

> "It is difficult to defend a high additional tax in this case where a group of persons hold their investments in collective form rather than separately, which they might well do. To eliminate this admittedly harsh treatment it was decided to follow the practice of the United States and exclude investment trusts from the tax entirely."

The exemption from excess profits tax will, it is expected, apply to the new minimum rate of 22% as well as to the maximum 75%. It will mean that companies such as Dominion-Scottish Investments, Canadian General Investments, Economic Investment Trust and similar companies will have to bear a lessened tax burden.

Another change alters the amendments to the excess profits tax introduced before Easter. The amendment relating to the selection of three years out of four as a standard period if the profits of the fourth are less than half the average of the other three will be reworded to provide that this rule shall apply after adjusting profits for capital additions or withdrawals.

This change can materially alter the application of the choice of years. For example in the case of Aluminium Ltd. changes in capital, with the allowable return computed at 7½%, will mean that the choice of three out of four years will have very little effect on the company's standard profit. This alters early estimates that this company would be one to gain substantially from the privilege of dropping its lowest year's earnings in averaging its standard period.

A Few Examples

Any calculation as to specific effect of the new tax rate on particular companies is complicated by uncertainty as to what will become of the provincial income tax. If it is assumed, however, that the provinces adopt the Dominion's proposals and surrender their income tax levies, it still appears that a considerable number of companies will have to pay higher taxes.

Take the examples of the companies listed below:

	Actual 1940 Income Taxes	If New Rate Used
	$	$
Brewers & Distillers	306,000	391,000
Asbestos Corp.	235,000	384,000
B. A. Oil	1,783,000	1,944,000
Bell Telephone	3,483,000	4,000,000
Gatineau Power	1,195,000	1,410,000
McColl-Frontenac	630,000	709,000

From calculations made it appears clear that only companies paying at the minimum 12% rate of excess profits tax will be materially affected by the new rates. When the dividing line where the 75% of the excess becomes greater than the 12% of total income is raised as is the case now, however, it will bring more companies under the new rates.

HANDLES BIG JOB

B. C. Marsh of the James W. Sewall Consulting Foresty Office of Old Town, Maine, and Port Arthur, Ont., is overseeing the planting of 106,000 white and red pine for private interests near Squam Lake, New Hampshire.

Sirois Recognition May Be Forced

(Continued from page 1)

attitude of the provincial premiers is forthcoming. Premier Mitchell Hepburn of Ontario has refused to comment, but his refusal sounds acrimonious and he says he is calling a cabinet meeting to consider the proposals. From existing information, however, it is difficult to see how any provincial government could justify to its people a refusal.

If the provinces accept, then they are guaranteed a continuance of present revenues. If they refuse, then Ottawa will impose the increases anyway and there will be no rebate. Taxpayers in any provinces refusing the offer will be forced to pay substantially higher taxes, in the case of the higher income brackets, will be charged well over 100% of their actual incomes. It is not difficult to imagine the sort of storm this would create against any provincial government turning down the Ilsley proposal.

More Overlapping

In another respect this budget brings the Sirois Report sharply into focus. That report was chiefly designed to make a definite and permanent separation between the fields of federal and provincial taxation. This budget produces still more overlapping.

In gasoline, succession and amusement taxes the former exclusively provincial fields are invaded for the first time by Ottawa. Moreover, as no compensation is offered whatever for the last two mentioned. Ottawa apparently considers these as properly in the federal sphere.

Gasoline and succession duties or taxes are chief sources of revenue for most of the provincial governments. The first, however, was adjudged more properly in the provincial than federal taxation field in the Sirois recommendations. Incidentally the gasoline tax is expected to be duplicated shortly by the federal government of the United States with a 2½-cent levy on the smaller American gallon. Such a step across the line is expected to soften any damage the increase here might cause the tourist traffic.

During the first Great War most provincial governments introduced amusement taxes, but these were discontinued in a few provinces some years later.

Dominion Coal Profits Gain 13 Cents a Share

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. reports consolidated operating profit of $2,231,997 in 1940 and net profit of $258,209 or 53 cents a share. In 1939 operating profit was $2,149,573, net $190,670 and share earnings 40 cents.

Working capital at end of 1940 at $4.8 millions is up nearly $800,000. Funded debt is down from $9,772,000 to $6,977,000 and preferred stock from $5,658,725 to $5,507,225. Inventories are nearly $700,000 lower at $2.3 millions, accounts receivable moderately higher at $3.1 millions.

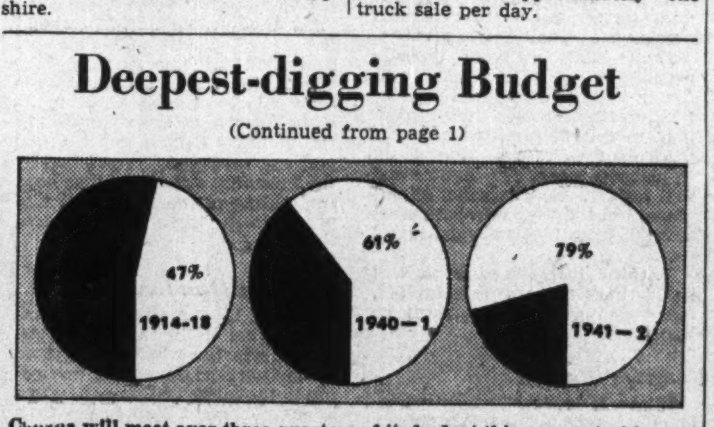
His Record Is One Sale Daily

J. Lance Rumble has been appointed manager of the GMC Retail Truck Branch in Toronto. General Motors Products of Canada, Ltd., announces.

As a truck salesman during the past few years, Mr. Rumble has built up a record—unexcelled, so far as is known, in Canada or the United States—of approximately one truck sale per day.

Deepest-digging Budget

(Continued from page 1)



Canada will meet over three quarters of its budget this year out of taxes. In 1914-18 more than half was borrowed.

ing $250 millions is being looked after in the Hyde Park lease-lend triangle arrangement. Mr. Ilsley did not specify.

Also included in the budget was one very large new cost, an amount to bonus farmers not to grow wheat. But Mr. Ilsley included only a nominal $35 millions for this item.

Most history-making departure was a definite effort to capture part of the provincial area of taxation. The levies on income left little scope for provincial taxation. The Dominion's first death duties were imposed and, like all taxes when first introduced, were of disarming lightness. There were taxes on movie admissions, on racing and on gasoline.

In return Mr. Ilsley offered the provinces certain guarantees, conditional on their vacating temporarily the personal income and corporation tax fields. Thus, while making a solemn promise not to reopen the Sirois report discussions during the war, Mr. Ilsley put the provinces on the spot. They must either accept his proposals or face the hostility of their own taxpayers who would otherwise be crushed in the competition of the two types of government.

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Montreal Commission Pays Out $598,810

From Our Own Correspondent

MONTREAL.—Aid to three municipalities in the Montreal metropolitan area cost municipalities of the territory $598,810 in 1940, according to the Montreal Metropolitan Commission. Municipalities assisted were Pointe aux Trembles, Montreal North and Ville St. Michel.

The money is advanced by the Commission, which collects the required funds from members: Montreal, Westmount, Verdun, Outremont, Lachine, Montreal East, Ville LaSalle, Mount Royal, Montreal West, St. Laurent, Hampstead and Ville St. Pierre.

Largest contribution was made by Montreal, amounting to $484,393. Westmount was second with $35,926.

Regent Knitting Sales Decline in Quarter

From Our Own Correspondent

MONTREAL. — Sales volume of Regent Knitting Mills for the first quarter of 1941 was below last year, according to G. de Tonnoncour, president and managing director. War orders decreased, though there was a slight increase in civilian business.

It was pointed out by Mr. de Tonnoncour that plant activity in 1940 was up 40% over 1939. Modernizing of the plant was to be completed by 1942, he said.

T. C. A. Traffic Declines Slightly in February

From Our Own Correspondent

MONTREAL. — Trans-Canada Air Lines carried 4,029 passengers in February, compared with 4,190 in January. Air mail carried amounted to 81,956 lb., against 83,460 lb. in the previous month. Air express increased from 7,689 lb. in January to 7,989 lb. in February.

Refrigerator Sales Lower in February

From Our Own Correspondent

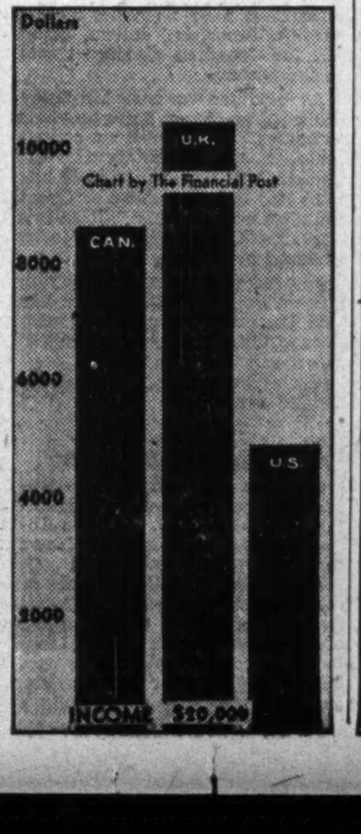
MONTREAL. — Unit sales of household refrigerators in Canada during February totalled 4,255, compared with 5,275 units the same month last year.

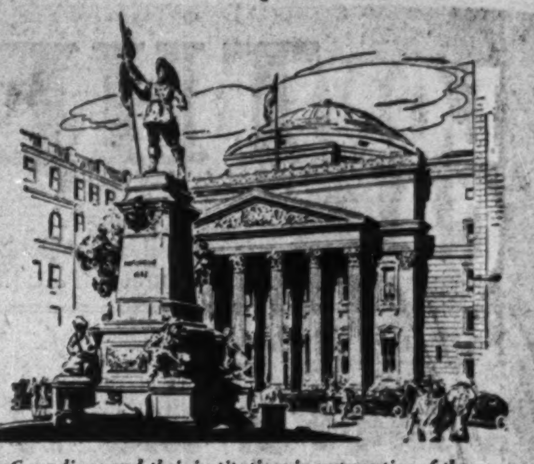
For the first two months of the current year there were 8,618 refrigerators sold, compared with 8,577 for the like period of 1940.

Noorduyn Aviation Elects New Director

From Our Own Correspondent

MONTREAL.—J. Carleton Brown, director of Canadian Alliance Corp. was elected director of Noorduyn Aviation Ltd. at the annual meeting. He replaces J. A. Gairdner, of Toronto.





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New Taxes Hunt More Money in Low Brackets

Bringing a greater weight of personal income taxes down into the medium and lower income groups, Finance Minister Ilsley pursued his own non-inflationary finance policy.

Biggest percentage increases in the personal income tax offset those in the medium and lower tax brackets—the bulk of people with earnings ranging up to $10,000 a year. In this group the tax payable in some cases is increased by 150%. In the very high income brackets such as $500,000, the increase is only about 13%.

Reason for the smaller increases in the higher income brackets is that the tax rates on the big incomes were already much higher than in the lower ones, having been boosted more in previous budgets.

The percentage of income left to be spent by those with the big incomes is much smaller than in the lower brackets. Thus a married man with an income of $3,000 a year will have about 86% left after paying income and national defense taxes. A married man with an income of say $50,000 will have 46% left while the man getting $100,000 will have 38% left.

Figures for the fiscal year ending March 31, 1940, show that about 4% of the 293,097 individual taxpayers paid 75% of the total receipts from the personal income tax. The new impost will greatly increase the percentage collected from the smaller earnings group, and will embrace the large number of war workers whose incomes have risen since the war.

In the fiscal year ended March 31, 1940, 42% of all income taxpayers in Canada were getting under $2,000; 65% of the total under $3,000. The following table shows how the tax increases vary in different groups of income:

Income of married couple*	% increase in total tax
$ 2,000	133
3,000	105
5,000	80
10,000	48
15,000	36
20,000	32
100,000	21

*No dependents.

The single man with an income of $700 (under the $750 exemption) pays no income tax. Formerly he paid 2% or $14 national defense tax for a full year. Now he will pay 5% or $35, increase of 150%. For 1940 he had to pay national defense tax on only half his total income.

The single person with an income of $3,000 pays 7% national defense tax instead of 3%. Under the old scale he paid combined income and national defense tax at the rate of $325 for a full year. Now he will pay $622, an increase of over 90%.

The man earning $100,000 a year will now pay $64,347 where formerly he paid $52,697, increase of about 22%.

The surtax on investment income is absorbed in the new graduated rates and a new surtax is imposed on all investment income over $1,500 instead of over $5,000 as previously.

Zeller's April Sales Show Further Gain

From Our Own Correspondent

MONTREAL. — Zeller's Limited sales in April will show further increase, according to Walter P. Zeller, chairman, speaking at the annual meeting.

Business in general has been on the up trend, he said, but he attributed the April result largely to favorable Easter weather, contrasting with last year when weather was unfavorable.

Can. Industrial Alcohol Declares Dividend

From Our Own Correspondent

MONTREAL.—Directors of Canadian Industrial Alcohol Co. have declared an interim dividend of 10 cents a share on the voting and class B shares. Dividend is payable June 2 to shareholders of record May 15.

During 1940 the company paid an interim dividend of 15 cents a share, the same as in the previous year.

Obituaries

J. A. M. Cooper, vice-president and general manager, Canada Colors & Chemicals Ltd. of Toronto, at Toronto.

Sir James W. Woods, K.B.E., president, Gordon Mackay & Co. and York Knitting Mills Ltd., aged 85, at Toronto.

R. H. Combs, president Prest-O-Lite Storage Battery Co. of Canada, formerly general manager Canadian National Carbon Co. and founder of the Canadian section of the Society of Automotive Engineers, aged 65, at Toronto.

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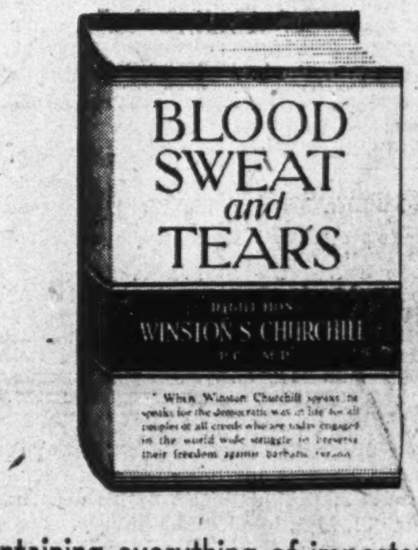

Churchill Speaks!

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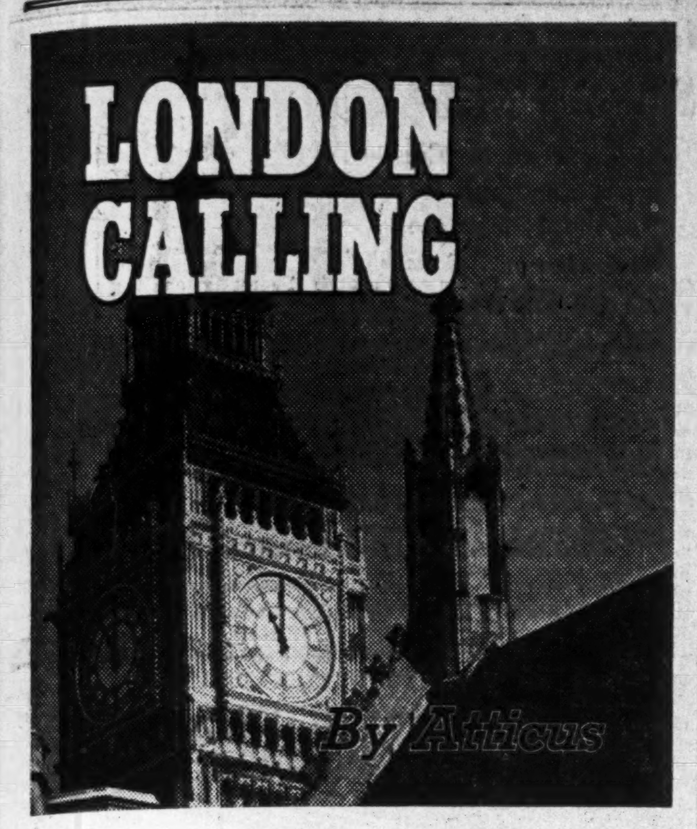

LONDON CALLING

By Atticus

LONDON.—When Lord Beaverbrook is not producing airplanes or paying public tribute to other Ministers he delights in giving large private dinners for important visiting Americans. Having done the honors to Mr. Harry Hopkins and Mr. Willkie he extended his hospitality to the handsome Averell Harriman, who came here as the President's representative to expedite the export from America of what we most urgently need.

Mr. Harriman is tall, with dark hair, strong features, and that slight stoop which is both attractive and characteristic of so many good-looking Americans. He was born rich, for his father, of course, was the creator of that vast railway kingdom in the days when there was no road rivalry to the monster that travelled the rails. But Averell Harriman did not waste the substance of his inheritance. His devotion to philanthropic activities and his volunteer services to the State are in the finest tradition of true inheritance. His remarks at the dinner were not for publication—we have no warmer friend than this welcome visitor from the U.S.A.

* * *

Controversialist

To honor Mr. Harriman, Lord Beaverbrook had invited a group of London's most famous editors and journalists (the distinction is not necessarily intended). Mr. Harriman gazed unruffled at the collection of noble brows and even jested in the presence of men who, if they do not exactly direct, certainly deflect the thunderbolts of Jove.

Lord Beaverbrook has his own ideas of being a host. If the questions and answers are too polite, or lacking in candor, he jumps to his feet and tosses a high explosive controversy right into the centre of the table. Then he relapses into his chair with a mischievous chuckle. His friends have said of him that he is a Puck. His enemies have contended that he is a Caliban. If once or twice I have been a little confused myself I would say that with maturity he has become more like the kindly Lob in Barrie's play "Dear Brutus," sincerely longing to see everyone enter the enchanted wood.

* * *

The Party Pundit

Sir Derrick Gunston, at the meeting of the Conservative Central Council, raised the vexed question of the ideal qualifications for a Parliamentary candidate. His chief point was that the selection should fall on more young men of proved capacity in public service. If the combination of youth and proved capacity seems a trifle illogical on first thought, it is undoubtedly an ideal much to be desired.

The official Conservative arbiter on this subject is the Vice-Chairman of the Party, Lord Windlesham, who was so long known as Sir George Hennessy in the House of Commons.

It is the duty of Lord Windlesham to approve candidates and then put forward his selections, rather like a racing tipster, when a constituency vacancy comes due. Unfortunately, local associations have been known to make their own choices regardless of the excellent advice of the Party's Vice-Chairman. Lord Windlesham, however, is a realist and a philosopher, as befits a member of an Irish family which became French and gave to the world that elixir which, after coffee and in company with a cigar, has cemented so many friendships and unfrozen so many confidences.

Lord Windlesham recognizes for example that while constituencies are proud to have their existing M.P.'s serve in the armed forces of the Crown they do not, in case a vacancy arises, care to adopt as their M.P. a new man who is in uniform and therefore unable to give adequate representation in Parliament. The Vice-Chairman of the Party notes this with some misgivings, but is forced by circumstances to advise young soldiers and airmen (who are surely proving their capacity for public service) that they have no chance against a civilian for adoption. All of which is not a little disturbing.

In the meantime the vacancy at Hornsey, caused by the death of Captain Euan Wallace, has created a strange situation. Both the chairman of the local association and Mrs Euan Wallace intimated their willingness to stand. Both had claims to the loyalty of the association, but neither was chosen. It is relevant to mention that one candidate whom I know was asked if he were prepared to contribute £800 a year to the local expenses?

It would seem that the whole question of Conservative candidates badly needs airing and may require a stronger handling than is the case just now.

* * *

With the Jugoslavs

Twice I have lunched at the Jugoslavian Legation and enjoyed the good food, the good wines and the good conversation of M. Ivan Soubotich and his gifted wife. In spite of the gathering menace they never lost heart. Over and over again they assured me that the people of their country would never submit to German domination. It would have been impossible at that time to publish what they said, for diplomats must take their public attitude from their governments, but like the Greek Ambassador, who never hid his pro-British sympathies from the outbreak of the war, M. Soubotich always proclaimed at his table his passionate desire for an Allied victory.

As for his brilliant wife with her reddish hair, her gifts as a romantic novelist, and her accomplishments as a lawyer, I cannot imagine anyone so thoroughly feminine tolerating for a moment the dumb, drab creature which Hitler holds to be the ideal of German womanhood.

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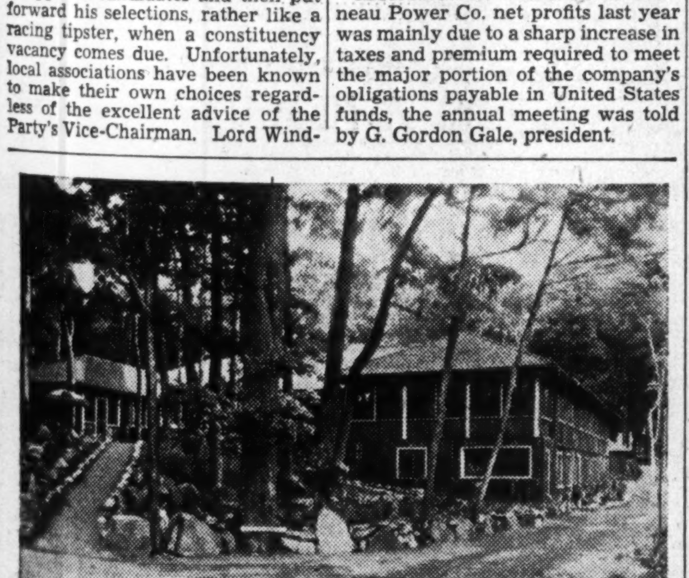
Gatineau Power Co. Net Cut by Taxes, Exchange

From Our Own Correspondent

MONTREAL. — Decline in Gatineau Power Co. net profits last year was mainly due to a sharp increase in taxes and premium required to meet the major portion of the company's obligations payable in United States funds, the annual meeting was told by G. Gordon Gale, president.



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Hunting War Dollars in the Scrap Heaps

Drive Seeks Household Salvage As War Plant Supplies

By GUY S. CUNLIFFE

Staff Writer, The Financial Post

You would be surprised to find a sheaf of American dollar bills in your garbage can.

You would be still more astonished to turn up gun barrels in your garret, or shells, bullets and aircraft parts in your cellar.

But potentially basic materials for such extra resources of the war effort can be produced from the national waste. Just how much basic material can be conjured up, how far this can be converted into a surplus margin of war supply, the National Salvage Campaign is now seeking to demonstrate.

In 2,300 Centres

With gathering headway, the effort to distill the sinews of war from the test tube of frugality has now extended into 2,300 Canadian communities. In these centres the campaign is organized and co-ordinated with the Canada-wide drive of the Department of National War Services. It has the full collaboration of the Canadian Institute of Secondary Materials, embracing the leading concerns across Canada in the salvage industry, more familiarly known as the junk trade.

How worth while and practical is the campaign? Is it a businesslike mobilization of surplus resources and effort, justified by the yield in "found money" of U.S. exchange and war supply materials? Or is it primarily a patriotic emotional appeal to inculcate war thrift and national discipline in conserving war assets? Is it an outlet for latent energies anxious to contribute to the war effort, but with practical results of negligible value?

Either objective is of course commendable. But in terms of directing war resources and energies, the more practical aspects of the problem command priority.

The answers cannot be fully or accurately given until the current campaign is fully under way. Unofficially, the drive is intended to test just how great the practical results will be on a voluntary, patriotic appeal to citizens. A major aim is to make the nation salvage conscious, should it later become essential and compulsory to wrest "everything but the squeal" from the carcass of Canada's raw materials.

The campaigners are particularly spurred by the astounding achievements in England over the past year, and in the United States in the last war. Quite apart from that, a sharp incentive is provided solely by the extent to which salvaged materials are used to supplement primary supplies of Canadian industry; and the imports required by the insufficiency of Canadian salvage sources.

In the United Kingdom last year a campaign similar to the one here now disgorged from household sources salvage materials with a value estimated at $75 millions. The waste thus rescued provided sufficient secondary supplies for production of a thousand 25-ton tanks, 20 million shells, and 10 5,000-ton cargo ships.

So amazing were these results that community salvage has now been made compulsory in England. Local authorities are required to provide machinery for the collection, sorting and distribution of hitherto waste materials. In some centres every street has its salvage unit to rescue the maximum from Britain's junk piles. They have even rationed the use of waste paper for starting fires, an indispensable need in most British homes.

In the last war in England, collection of otherwise wasted fats yielded basic material in one year (1917) for 1,300 tons of glycerin, enough of this element of explosives for 18 million shells. In the United States salvage campaigns of 1917-18 are reputed to have boosted the annual turnover of the established salvage trade to $1 billion, 10 times normal volume.

What Can Canada Do?

But Canada has not the density of population, the extensive salvage facilities, the intensive industrial development of England. The distance of many areas from salvage dealers and processing plants, and from industries using salvage materials, makes collection of some materials costly if not entirely impractical. In sparsely settled areas and the smaller centres the relatively limited volume of salvage available is out of proportion to the effort and cost of assembling and handling.

Therefore it will be no mean achievement if Canada attains as much as 50-75% of the potential objective indicated by our imports of scrap materials, and what we should ideally reach (with our smaller population) to match Britain's record last year. Even a quarter of the possible scope of national salvage would cover almost the entire budget of $5.5 millions for which the Canadian War Services recently appealed to the public. In the absence of any official specific objective, a mark of $5 millions in the first year of the campaign would represent a definite step forward in mobilizing every last available resource to bolster Canada's war effort.

If Britain can muster $75 millions of salvage from a population four times that of Canada, this country's households should be able to produce nearly $19 millions of salvage in a year. Oddly enough, this last total is close to Canada's annual bill of U. S. exchange for imports of salvage supplies for industry. Of this total supplement to our inadequate domestic sources, nearly $15 millions is accounted for by only three items —scrap steel and iron ($10 millions), rags and salvage fabrics ($3.8 millions), and waste paper (close to $1 million).

These figures, of course, do not reflect the total proportions of the waste processing industry and the extent to which industry generally uses salvage materials. Allowing for imports to contribute between 25 and 30% of all domestic requirements, the total annual turnover of the salvage industry may be estimated at from $65 millions to $70 millions for all branches, including imports.

Household Sources

Of the volume of salvage collected and processed in Canada—say about $45 to $50 millions—the bulk of supplies comes from industry itself, where large amounts of plant waste, cuttings, etc., can be regularly and efficiently acquired. Probably not more than $10-$12 millions is drawn from households and similar sources, and most of it in the larger centres where there are adequate systems for collection and handling, distribution and processing. In short, where itinerant junk collectors and peddlers operate in conjunction with receiving yards and dealers, as well as the larger concerns with sorting, cleaning and conversion plants.

How much can this regular yield of household salvage be increased by the intensified wartime appeal of the present campaign? In some quarters it is felt that extended salvage of household wastes, and cellar or work bench discards, will do well to add $1 million to $2 millions to the present household total. On top of this, however, it is now hoped the campaign will corral several hundred thousand tons of broken down and discarded farming and mining machinery—chiefly the former—which would add another $2 millions to $4 millions to the yield.

Results to Date

Such results would add from $3 to $6 millions to the salvage volume from household sources—thereby saving that much U. S. exchange—and would raise the total household yield to around $15 millions. It is conceivable, however, that the present salvage drive, coupled with thorough organization of collection systems, might produce substantially higher totals. The results attained independently already by single organizations in various centres can be well exceeded, it is felt, if all local efforts are unified and stepped up and fully co-ordinated on a nation-wide scale with the aid of the salvage industry.

In Toronto, for instance, a 10-day campaign last fall by the city's waste collection department netted over 900 tons of scrap metals. In Brantford, the Local Council of Women salvaged 250 tons of paper, rags, metals, tires, etc., in the last half of 1940. Since last July the Patriotic Salvage Corps in Winnipeg has earned enough from its operations to buy three mobile kitchens to send to England. Similar efforts in St. Catharines produced $5,000 for war charity, and proportionate donations in a number of other centres of varying size.

Uses for Salvage

The saving of U. S. funds through cutting down imports, and the earning of war charity donations, are primary aims and most readily appraised results of the salvage campaign. But quite as important, in the view of campaign sponsors, is the creation of new and readily tapped sources in Canada for many of the supplies needed by war industries.

The campaign is predicated on the free donation of salvage materials by householders, and its collection and preliminary sorting on a voluntary basis by patriotic or community organizations. In most centres, campaign officials say, it has been found impractical and too costly to expect the local garbage collection system or the established salvage trade to gather up contributions.

The existing facilities of the salvage and waste processing industry are being relied on, however, for the purchase of the salvaged materials and their further sorting, cleaning, processing and distribution into regular industrial channels.

Keeping Posted . .

By JOHN C. KIRKWOOD

How did short-statured, sandy-haired Adelard Godbout, Quebec's Premier, get where he is? How did he defeat Duplessis, who seemed set to remain in power for a decade? How did he put through his votes-for-women legislation against the opposition of the Church?

These and other questions are answered in sparkling language by Leslie Roberts in his article, "Quebec's Godbout," in Maclean's Magazine. It is a graphic and interpretative article on the man who is revolutionizing Quebec in many ways. He is modernizing public instruction, rousing his compatriots to hurry and learn English. He says that Quebec must fit its sons and daughters to compete in the all-Canadian market by producing engineers, geologists, businessmen.

* * *

How to Run Restaurants

In addition to a restaurateur's ability to turn out good products and to buy raw materials wisely, he must, says Canadian Hotel Review, be able to estimate his daily sales so as to avoid overproduction. He must know real estate. He should have some knowledge of engineering, salesmanship, advertising, personnel, public relations, insurance, taxes, finance, accounting, interior decorating and human relations.

It is not strange, therefore, that training for restaurant management is now being given in some universities.

* * *

Research Home

A research home has been built in Urbana, Ill., by the Institute of Boiler and Radiator Manufacturers, for the study of radiator heating. The house is a six-room, two-story home with attached garage and a full basement, and is typical of a large number of homes now being built for those of small incomes.

The research programme to be carried out will seek scientific background for a more intensive promotion of steam and hot-water heating installation from the angles of comfort, service and economy. An account of this very interesting enterprise is given in the current issue of Sanitary Engineer.

* * *

Accidental Abrasive

Carborundum had its jubilee this year. It is a patented, artificial, commercial abrasive, discovered by accident. In experimenting with an electric current passing through a mixture of clay and coke, Dr. Edward G. Acheson discovered adhering to the carbon electrode crystals which would not only cut glass, but also scratch diamonds. So he coined the word "carborundum" and registered the trade name. The first production plant was built by Dr. Acheson in Pennsylvania but in 1925 the factory was moved to Niagara Falls, N.Y., to be able to utilize the cheaper electric power there. Now there is also a Canadian Carborundum Co. at Niagara Falls, Ont.

* * *

Efficiency of War

The efficiency of war is reflected by the Harrington-Reising submachine gun—a light, powerful portable weapon which weighs only 6½ lb., with a maximum effective range of 300 yards. It uses a .45 calibre projectile, and bursts at a rate equivalent to 450-500 per minute. This gun can be made in large quantities at an extremely low cost—at the rate of 1,000 per day should the demand develop. The gun is fed from a magazine clip which holds 20 standard .45 calibre cartridges. A description, with illustrations, of this gun appears in the April issue of Canadian Machinery.

* * *

Druggists' Toes Trod On

Variety stores are increasing in number of Canada. One variety chain is planning to open 25 new stores this year, mostly in smaller towns and cities. These variety organizations are live merchandisers and, says Drug Merchandising, are tramping painfully on the toes of druggists.

Increasingly they are adding drug items, particularly toiletry products, to their lines. You'll see on variety store counters many things not formerly seen there—50-cent tooth brushes, higher priced hair tonics, giant size toothpastes, shaving creams and hand lotions, by way of example. Drug Merchandising suggests that increased private brand merchandising on the part of druggists has led some manufacturers, for their own protection, to put their products through other channels where they will not have to take second place to private brands and similar merchandise.

* * *

In your own case are you influenced to buy by advertisements in color more than by advertisements in black and white? Black and white, let it be said, is by no means "licked" in every instance by color. Here's what one manufacturer says, after three tests of four-color advertisements:

"In each case where such a test was made, we found that the number of orders per 1,000 circulars from the color job was lower than the number resulting from the black and white job."

Yet there is much evidence to support those who are advocates of color in both circulars and magazine advertisements. A recent survey made by the color research laboratory of the Eagle Printing Co., New York City, led to this general conclusion: There is an overwhelming confidence in the value of color. Canadian advertisers would find the report of this survey, as provided by Canadian Printer and Publisher for April, worth studying.

* * *

Deglooming

W. Edgar Norris is one of the experts of the interior decorating bureau of Eaton's College Street Store, Toronto. When he and his wife decided to give up living in an apartment house and to have a home of their own, they were challenged to do a good job in its decoration. They chose, not a slick, modern house, but a house built about 80 years ago. How they robbed this "pretty dismal" house of its gloom, and made it into a habitation pleasing to both themselves and their friends, is told (with pictures) in the April issue of Canadian Homes and Gardens.

IN 1920

"Jim, you are my best friend so I've named you my executor."

IN 1941

The maker of the Will, grown old, died. His Will made careful provision for his family. But his friend Jim had grown old, too. His health was broken; he was unable to serve as Executor.

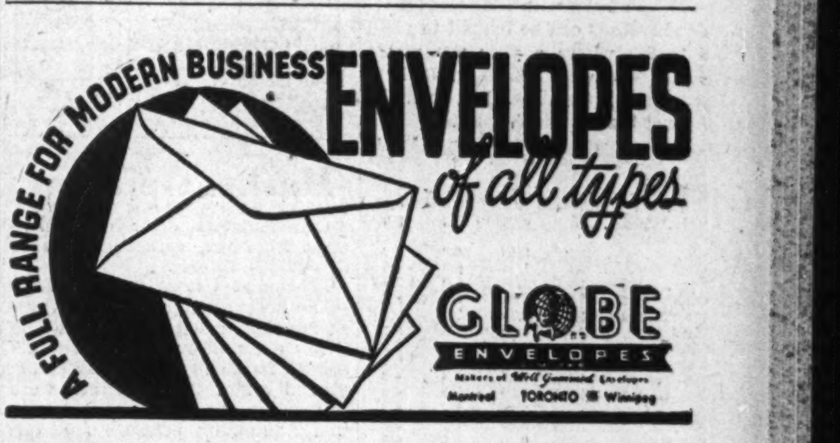
★

One advantage of naming the Crown Trust Company as one of your executors is that we are a continuing corporate organization, always ready and able to serve.

Crown Trust Company

Executors :: Trustees :: Financial Agents

MONTREAL TORONTO



A FULL RANGE FOR MODERN BUSINESS

ENVELOPES of all types

GLOBE ENVELOPES

Makers of Well Gummed Envelopes

Montreal TORONTO Winnipeg

MILLIONS OF TINY HOLES ... Make a BETTER ROOF!

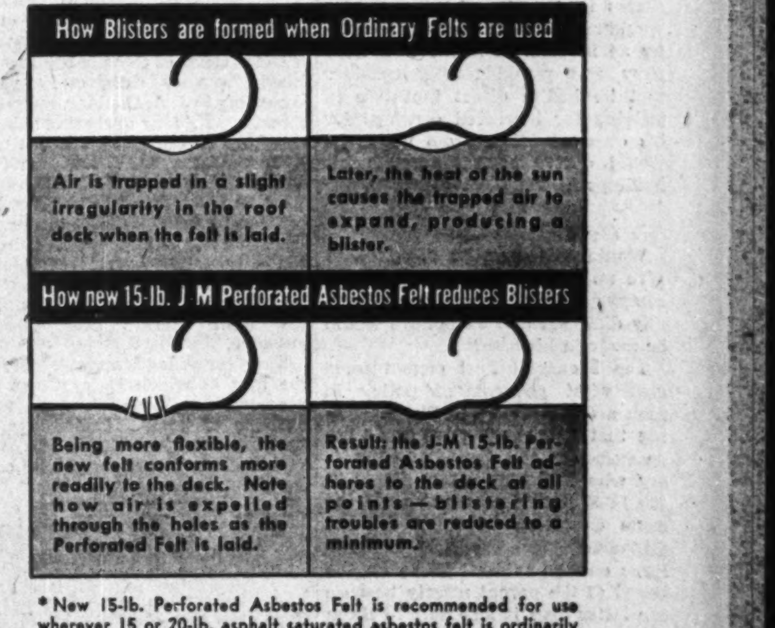
J-M PERFORATED ASBESTOS FELT

Today's Newest Roofing Development . . Minimizes "Blistering"

The Ideal Felt for New Roofs and Re-Roofing

Long famous for fire-, weather- and wear-resisting built-up roofs, Johns-Manville now offers a *new kind of roofing material!* It's called 15-lb. *Perforated Asbestos Felt and it increases roof service by reducing blisters—defying roofing's Enemy No. 1, the sun. A glance at the diagram shown here tells you how this improved felt helps to make a better, longer-lasting roof.

If you are building a new plant or, modernizing existing buildings, it will pay you to get the facts on this newest roofing development. Take advantage of J-M's service that provides QUICK DELIVERY on a wide range of roofings and other essential building materials listed below; of J-M's PLANNING ASSISTANCE on building or modernization; of TIME AND COST SAVINGS resulting from fast, labor-saving application methods. A telephone call, wire or letter to your nearest J-M office will help you to *speed the work* on construction jobs.



How Blisters are formed when Ordinary Felts are used

Air is trapped in a slight irregularity in the roof deck when the felt is laid.

Later, the heat of the sun causes the trapped air to expand, producing a blister.

How new 15-lb. J-M Perforated Asbestos Felt reduces Blisters

Being more flexible, the new felt conforms more readily to the deck. Note how air is expelled through the holes as the Perforated Felt is laid.

Result: the J-M 15-lb. Perforated Asbestos Felt adheres to the deck at all points—blistering troubles are reduced to a minimum.

* New 15-lb. Perforated Asbestos Felt is recommended for use wherever 15 or 20-lb. asphalt saturated asbestos felt is ordinarily specified.

JOHNS-MANVILLE JM PRODUCTS

CANADIAN JOHNS-MANVILLE CO. LIMITED

Mine and Factory at Asbestos, P.Q.

Toronto, Montreal, Winnipeg, Vancouver

JOHNS-MANVILLE

• J-M BUILT-UP ROOFS • J-M CORRUGATED TRANSITE SIDING • J-M INDUSTRIAL FLOORING • J-M INSULATING BOARD PRODUCTS • J-M ASBESTOS WALLBOARDS • J-M ROCK WOOL INSULATION • J-M INDUSTRIAL INSULATIONS • J-M REFRACTORIES • J-M ACOUSTICAL SERVICE AND MATERIALS • J-M PACKINGS AND GASKETS AND OTHER ESSENTIAL MATERIALS FOR FACTORY, MILL, SHOP, OFFICE

Investment Trends

Markets Resist Setback In Good Fashion

Recognize Fact That 1941 is Year of Crisis of Which Recent Events Are But Beginning — Higher Business and Good Earnings Not Considered

Markets have continued to mark time and indicate that they do not regard the recent Balkan campaign as a decisive factor in the outcome of the war. A glance at the chart which accompanies this column will show the contrast between what has happened to date this spring and the reaction beginning just about a year ago. Probably this is new evidence of stock market reluctance to discount the same influence twice. Last spring's debacle brought investors' face to face with the real difficulties.

Actually, considerable satisfaction can be derived from the fact that stock markets have not gone to pieces in the face of setbacks in the war, rising taxes and other difficulties. They came close to collapsing last May and in doing this discounted a lot of bad news. Thus today's prices take into account much of the troubles ahead. Moreover, business activity has risen far above the levels of a year ago. Even if this does not any more than overcome the heavier taxation and cost factors, it promises to maintain a good level of earnings.

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Indiscriminate Yields

Investors who need income have opportunities to pick up leading stocks at unusually high yields while present prices prevail. Present yields may be no higher than could have been found from time to time since the war started, but it is still worthwhile to keep an eye on yields from dividend paying stocks particularly when added income is required to pay the steadily rising taxes.

When stocks with long-term dividend records can be bought to yield 6 to 8% where a year ago yields under 4% were common, it is a noteworthy situation. For example, look at the list which follows:

	Recent price $	1940 divds. $	Curr. yield %	Yield yr. ago %
Bell Tele.	154	8.00	5.2	4.8
B. A. Oil	16¾	1.00	6.0	4.6
Bldg. Prod.	15	0.80	5.3	5.0
Consumers' Gas	126	8.00	6.3	5.8
Cosmos Imp.	23	1.35	6.0	4.0
Dom. Bridge	23	1.20	5.0	3.4
Dom. Textile	71	5.00	6.7	5.6
F'ny Farmer	23	1.75	7.0	6.0
Ford Mot., A	15½	1.00	6.4	5.1
Int. Nickel	32	2.00	6.2	5.2
Laura Secord	9¼	0.80	8.9	6.3
Loblaw, B	23¼	1.25	5.4	4.8
Mtl. L. H. Pr.	21½	1.50	7.0	4.9
Moore Corp.	45	2.60	5.8	4.6
Nat. Brewer.	23½	2.00	8.5	5.7
Shawinigan	13½	0.90	6.8	4.0

This list is not complete. It does not pretend to include the highest yields as it is not hard to find stocks returning 10 to 12% based on recent prices and last year's dividend payments.

Nor is it possible to discern any clear evidence of discrimination on the part of investors. It might be expected, for example, that investors in the iron and steel trades where war orders are particularly heavy and rate of operations at peak levels would recognize the likelihood that the end of the war would mean the end of demand for war materials. It might be expected that companies participating in the accelerating rate of business and higher national income without depending on direct war orders would find greater favor.

But current yield on International Nickel is 6.2%, on Ford of Canada 6.4% and on Steel of Canada common only 4.6%. On the other hand as strong a company as Laura Secord—entirely a peacetime business—gives 8.9%. Take two companies such as Dominion Foundries & Steel and National Steel Car where the public could be expected to feel that dependence on war business was above the average, yet on both of these companies' common shares, yields are 5.4%.

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A Peculiar Problem

In the event that Canada is forced to liquidate holdings of U. S. securities—a matter which does not appear imminent—there is one group of investors in Canada who will be placed in a peculiar position. These are the executives and employees of many Canadian branches of U. S. companies. It is common practise for the parent company to encourage employees to invest in shares of their own company. But when it comes to employees of the Canadian branch this usually means investing in the U. S. company because the Canadian unit is a wholly owned subsidiary of the parent firm.

Supposing, for example, that the president of the Canadian subsidiary of any large U. S. company buys shares in the parent concern. He would regard these shares as in reality an investment in his own company and would rightly consider that he had a direct incentive in striving for increased earnings for his own subsidiary from which he would derive benefit through his holdings in the U. S. company.

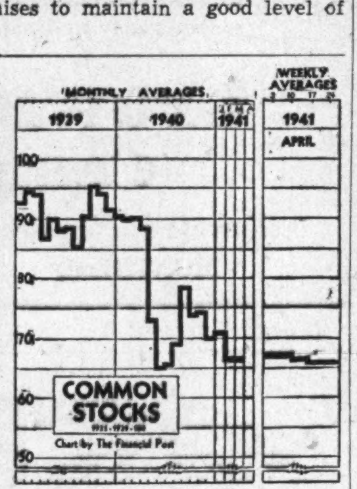
• • •

His Own Company

Would this man be required to give up his investment in his own company? Or is his position so basically different that exceptions would be made in his case?

The Financial Post cannot forecast what government policy in such a case would be. But supposing that exceptions were made for an executive of a Canadian subsidiary who held only a few shares in the U. S. parent concern should the same exception be made for the Canadian executive who holds a large enough interest to be on the board of the parent merely because the latter man is also able to claim to be an employee of the Canadian company.

Limited information on the policy of the United Kingdom in similar cases suggests that such investments, even if they had a claim for special consideration, would be treated like any other. When the British go so far as to require that companies should dispose of their own subsidiaries, it is perhaps hard to make out a case for the comparatively few individuals who would come into the particular category mentioned here.



Market Opinions

Commentators draw encouragement from the market's resistance to obvious threats.

Brookmire Counselor, New York—The Balkan campaign has subjected the stock market to a test which it has come through in an encouraging fashion. Although giving ground when the headlines were disturbing, the market revealed no real liquidating pressure and this week has displayed rather good support. Further shocks may come from abroad, of course, but the market appears in much better position to stand them; and the rise in earnings and dividends provides a strong basis for maintaining portfolios invested in stocks that hold high promise for sharing in prevailing expansive and inflationary trends.

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Barron's, N.Y. (The Dow Theorist)—The interpretation of this column remains that of a secondary down trend in a primary bear trend. This interpretation, of course, is based on the Dow Theory principle that a trend is regarded as being still under way until reversed by a contrary signal. The actual turn in the trend, however, necessarily comes before the signal, but cannot be recognized formally until the signal occurs.

• • •

Financial World, N.Y.—More and more investors will seek out good dividend paying stocks, as replacements for non-payers or those with inadequate yields, as the need for greater revenues to meet higher taxes becomes recognized—and it is this type of issue that should constitute the bulk of the average individual's holdings. The stock market in general appears to be approaching a buying point for more speculative issues, but in light of prospective conditions any purchases of shares of this kind should be held to a small percentage of one's total commitments and with full knowledge of the risks.

• • •

Barron's, N.Y. (The Trader)—Since the market from now on will be able to deal realistically with the factors of taxes and war economy, the only uncertainty to be faced is American participation in the war. The list of imponderables, therefore, is gradually disappearing and once the worst is known the market should traditionally begin to look to other possibilities. Already bereft of emotionalism, and therefore, steadily approaching a shock-proof basis, stocks are in an area where long-term buying risks are receding and the probable rewards of courage are increasing.

Dairy Corp. Year Said Satisfactory

Dairy Corp. of Canada has just finished "a very satisfactory year," according to J. A. Caulder, managing director. Its four operating subsidiaries are in improved current position, with no bank loans and an ample supply of cash on hand.

Dairy Corp. itself has reduced its bank debt from $394,000 at April 1, 1940, to $206,000 at present. Edmonton City Dairy Ltd. is completing sale of its first mortgage bonds, states Mr. Caulder, and has paid its sinking fund charges six years in advance.

The year ended March 31, 1940, was the first in which Dairy Corp. had reported a substantial profit for a number of years. Indications are that the year just closed will show still further improvement in earnings.

Public Utility Earnings

Mexican Light & Power Co.
Month of January

	1941 $	1940 $	Incr. %
Gross oper. earns.	749,071	629,345	19.02
Oper. exp. & depr.	606,597	487,947	24.32
Net earnings	142,474	141,398	0.76

Operating results as shown in Canadian dollars are taken at average rates of exchange, subject to final adjustment when annual accounts are made up.

Canada Northern Power
March

	1941 $	1940 $
Gross earnings	413,708	435,040
Oper. expenses	221,508	235,047
Net earnings	192,200	199,993
Three Months Ended March		
Gross earnings	1,248,894	1,304,220
Oper. expenses	668,349	701,150
Net earnings	580,545	603,070

Famous Players Control May Be Shifted

Adjourned Annual Meeting Thought to Indicate Continued Negotiations

Reports have been current for some time past of impending changes in the motion picture business in Canada. The Financial Post has been told that negotiations have been opened between Canadian officials of Famous Players Canadian Corp. and Paramount Pictures Inc. for the acquisition by Canadian interests of Paramount's controlling interest in Famous Players.

It may be doubted, however, if the Foreign Exchange Control Board would provide U. S. dollars for any outright purchase of this nature at present.

Last week the annual meeting of Famous Players was convened and twice adjourned without any announcement. This meeting is now to be held May 2 at which time, it is expected the business can be completed.

New Competition Develops

Linked with the reports of impending changes in Famous Players are evidences of new and aggressive competition from the new theatre chain being built up by Odeon Theatres of Canada Ltd. Head of Odeon Theatres of Canada is Paul Nathanson, son of N. L. Nathanson, president of Famous Players Canadian Corp.

Odeon Theatres, it is suggested, is being built up by a combination of Canadian and British capital with Oscar Deutsch supplying the British capital. Control is in Canada, it is stated.

Management Contract

A point of interest in this connection is the fact that the five-year hiring contract between Famous Players and its managing director, N. L. Nathanson, and its director of theatre operations, J. J. Fitzgibbons, expires July 1, 1941.

So far it is understood these contracts have not been renewed and interests headed by Mr. Nathanson are endeavoring to purchase control of Famous Players.

It is quite possible, of course, that new contracts will be negotiated satisfactory to both sides.

Paramount Publix Corp., predecessor to Paramount Pictures, acquired about 94% of the outstanding common shares of Famous Players in 1930 through an exchange of stock on the basis of four shares of Paramount Publix for each five shares of Famous Players. Since then Paramount was reorganized in 1935, following a period of bankruptcy, and holders of the old company's common shares received one quarter share of new common for each old share held, plus a warrant entitling the holder to subscribe up to Aug. 30, 1935, to a unit consisting of one quarter common share and one fifth of a share of second preferred for $2.

Stock Options

Along with the management contract already mentioned there was granted by Famous Players five options, dating from April 15, 1936, whereby certain executives and directors could buy a total of 50,000 common shares over a five year period. This was later amended to make the total 55,000 shares in five blocks of 11,000 shares each. To date a total of 33,000 shares has been taken up under these options at $13 a share for the first block, $13.65 a share for the second and $15 a share for the third. The fourth block has not yet been taken up and the date for its exercise has been twice extended, now maturing April 30 this year, with the final block due July 15, 1941.

In the meantime, Odeon Theatres has a total of 12 theatres in Vancouver, one of which was recently opened and two more are under construction. The two theatres being built in this area are estimated to cost a total of $100,000. It is said that Odeon is planning to build or acquire other theatres in British Columbia and it has also started operations in Ontario. Odeon Theatres and associated interests have just acquired a site in Lethbridge, Alta., on which they plan to build a new theatre by Dec. 1, at a reported cost of $150,000.

Valuable Outlet

Last year Famous Players reported net profits of just under $1 million. Paramount Pictures reported net of $7.6 millions, including Famous Players interest in its consolidated statement. Famous Players has been an important contributor of earnings, although on the $1 a share annual dividend the actual cash received by Paramount would be only about $400,000 annually.

Of considerably greater importance is probably the preference which this control gives Paramount in booking films in Canada. Famous Players is the largest motion picture operator in Canada, controlling or having an interest in over 300 theatres. Film rentals from such a chain will be important and something which Paramount probably values highly.

BECOMES CHAIRMAN

At the annual meeting the Board of Trade Club, Toronto, by acclamation elected Vice-Chairman John E. Greenland as chairman for the coming season. Mr. Greenland, who has been active in Board of Trade work for the past 10 years, is president and general manager, Ontario Electrical Construction Co. He is also vice-president, Ontario Electrical Contractors Association; director, Engineers Club of Toronto; and member Association of Professional Engineers of Ontario.

Ford of Canada Doubles Output

New Peaks in Sales, Wages Reached in 1940 —Bettered in 1941

Reviewing operations in 1940 at the annual meeting of the Ford Motor Co. of Canada, Wallace R. Campbell, president, stated that every phase of the company's business had been affected by participation in the Empire's war effort. Production value doubled to reach a new high level, half the total production being for military vehicles. Sales for military purposes in Canada and the Empire aggregated $45.6 millions against total sales of $86.1 millions.

Profit before income and excess profits taxes was 24.1% higher than in 1939; after taxes, net profit was 14.2% lower.

At the end of the year employees numbered 11,486, an increase of 48.6% from the previous year end. $17.8 millions was paid in wages and salaries, highest in company history.

Wages up 48%

By mid-April workers numbered 13,236 and the monthly payroll was $2.2 millions. On an annual basis current wage and salary payments are running 48.3% ahead of 1940. The Windsor plant has been operating on a six-day week, with many departments operating 24 hours a day.

Plant Expansion Aids

Adaptation of plant to war needs was attained rapidly, largely because of a $10 millions plant expansion in the five years preceding the war.

Overseas subsidiaries had an increase of 38% in the sales, largely military. Non-military sales declined 28%.

The company's progress has been much aided by the Imperial system of tariff preferences. Continued access to these markets on preferential terms is a matter of serious concern to the company, Mr. Campbell said, adding that 22% of Ford of Canada's total assets consist of investments in subsidiaries and accounts owing by them to the parent company.

Odeon Theatres Opens New Unit

New Chain Headed By Paul Nathanson Growing in B. C.

Odeon Theatres of Canada Ltd. recently opened a new theatre in Vancouver which it had leased from Estates Limited. The new chain of theatres being organized by Odeon now includes 12 theatres in Vancouver, two of which are in process of construction, and a new theatre being built in Victoria. The company also has interests in eastern Canada.

Estimated cost of the two theatres being built in Vancouver at present totals $100,000.

It is said that Odeon is also planning to get other theatres in British Columbia, some of which it may construct.

The company is said to be controlled by Canadian interests and financed by both Canadian and British capital. The president is Paul L. Nathanson, Toronto.

JOINS TRADERS FINANCE

H. R. Milner, Edmonton, has been elected director of Traders Finance Corp. He fills a vacancy caused by the death of Hon. Frank Carrell, Quebec.

Significant Investors' Index Numbers

(Base 1935-39 = 100)

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	320.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.8	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Weekly Figures:												
Apr. 3	74.6	64.8	70.4	49.8	103.0	87.7	91.9	80.3	65.7	89.6	71.1	67.3
Apr. 10	73.7	64.8	68.3	50.2	102.3	88.2	89.5	78.4	62.0	89.3	68.1	66.5
Apr. 17	73.1	61.3	69.6	49.4	100.8	88.2	88.9	77.7	61.4	89.5	66.9	65.2
Apr. 24	72.8	60.1	68.5	48.6	100.8	90.2	88.7	77.3	61.5	90.2	67.2	65.1
Mo. ago	73.9	65.8	69.4	50.2	103.5	87.6	93.9	80.8	67.7	90.0	71.2	67.3
Yr. ago	104.2	123.4	110.9	72.9	136.5	113.7	111.2	104.2	93.3	102.8	93.4	87.1

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Apr. 29	88.82	97.92	62.18	17.76
Apr. 28	89.22	96.53	62.08	17.76
Apr. 26	89.20	96.47	62.02	17.71
Apr. 25	89.36	98.30	61.86	17.73
Apr. 24	89.49	96.58	62.00	17.83
Apr. 23	89.61	98.11	62.08	17.85
Month ago	94.31	101.92	64.44	19.10
Year ago	121.72	108.41	79.37	29.39
High 1941	103.48	109.76	69.33	21.62
Low 1941	89.02	97.36	61.97	17.60

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Apr. 29	44.8	54.4	51.2	62.34	74.85
Apr. 28	45.3	54.6	51.5	62.87	74.94
Apr. 26	45.6	55.2	52.0	63.36	75.06
Apr. 25	45.1	55.3	51.9	62.54	75.06
Apr. 24	45.7	55.5	52.2	63.17	75.19
Apr. 23	45.2	55.7	52.2	62.78	74.92
Month ago	47.1	57.8	54.3	67.85	76.52
Year ago	64.8	83.8	77.5	146.73	84.66
High 1941	54.3	66.4	62.3	82.25	79.89
Low 1941	44.8	54.6	51.5	61.03	74.91

C. S. L. Expects Larger Income

Coverdale Reviews Prospects for Current Year at Annual Meeting

From Our Own Correspondent

MONTREAL.—Net income of Canada Steamship Lines for the current year to date is several hundred thousand dollars ahead of the like period in 1940, W. H. Coverdale, president, told the annual meeting. This was due to income from ships chartered by the British Government which, he added, had solved the surplus tonnage problem on the Great Lakes.

Operations this year are expected to show satisfactory improvement, Mr. Coverdale said, despite the fact grain was not likely to move along normal routes in large quantities.

There was practically no room for grain in the Montreal elevators and there would be a dearth of freighters taking the St. Lawrence trip for grain in 1941. Shipments, he said, have been going to the Georgian Bay ports, and most of the movement has been via rail to the Atlantic seaboard.

More Ore and Coal

Ore and coal movements have become more satisfactory both in volume and rates, Mr. Coverdale reported. Coal business, however, this year would be seriously retarded as a result of the United States coal strike, which would mean that even after settlement two weeks or more would elapse before there was sufficient tonnage at lake ports to make an impression on traffic.

Passenger business this year is expected to show an improvement, since June and July of last year were very disappointing, said Mr. Coverdale. In addition to expecting more domestic business, he expressed the belief there would be an increase in the United States tourist trade.

In this connection Mr. Coverdale said he believed "Canada was losing more than she gained" by not providing foreign exchange for movement of Canadians across the border.

Shipbuilding Important

In referring to subsidiary activities, Mr. Coverdale said in 1940 a heavy shipbuilding programme had been undertaken. He said additional ways are now being laid down to provide for larger cargo boats. Operations of Davie Shipbuilding, he said, were assuming a more and more important place in the company picture.

Answering a stockholder, Mr. Coverdale drew attention to the fact that no consideration could be given to common dividends under the reorganization plan until 1943.

Brazilian Traction Progress Quickens

First Quarter Gains Over 1940 — March Earnings Up 18%

Improved earnings trend for Brazilian Traction, Light & Power Co., which first became evident last July, have continued with accelerated pace into 1941.

Earnings for the first quarter show a gain of 15.59% in net earnings, gross earnings having risen 10.83%, while operating expenses (before depreciation and amortization) advanced only 6%.

Improvement shown for March is more marked than that for the three months. The gain in gross earnings was 11.79%, that of net earnings was 18.13%, and operating expenses increased at the slower pace of 5.31% over the corresponding figures for 1940.

Brazilian Traction, Light & Power
Three Months Ended March 31

	1941 $	1940 $	Incr. %
Gross earn.	9,811,031	8,851,929	10.83
Oper. exps.	4,654,779	4,391,318	6.00
Net earns.	5,156,252	4,460,611	15.59
Month of March			
Gross earn.	3,343,381	2,990,633	11.79
Oper. exps.	1,557,872	1,479,212	5.31
Net earns.	1,785,509	1,511,421	18.13

Operating results shown in dollars at average rates of exchange, subject to final adjustment in annual accounts.

Standard Radio Shares Listed

Exchange for Rogers-Majestic Stock Is Being Carried Out

Class A shares of Standard Radio Ltd. were called for trading on the Toronto Stock Exchange on April 29, 1941. Ticker abbreviation is STR. The listing covers 200,000 shares.

Standard Radio is the new name for Rogers Majestic Corp. and the latter company's shares are being removed from trading. Following issue of supplementary letters patent covering the change of name, reduction of capital and distribution to shareholders, the London & Western Trust Co., Toronto, is issuing the new shares on and after April 29. London & Western is also arranging the capital payment of $3 a share on the Rogers Majestic stock.

W. H. Marsh Treasurer of Canada Wire & Cable

W. H. Marsh, vice-president of Canada Wire & Cable Co., has assumed the additional duties of treasurer of the company. Mr. Marsh, who formerly held the position of treasurer until about two years ago, succeeds J. E. McCallum, who has resigned from the company. At the recent annual meeting A. R. Winnett was appointed assistant treasurer.

B. C. TELEPHONE

B. C. Telephone reports total telephones connected by itself and associated companies at 139,578 at March 1, 1941, compared with 138,119 Jan. 1, this year. At the beginning of 1940 telephones totalled 131,984.

Foreign Exchange

During the week Apr. 22 to Apr. 28 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Apr. 28

Australia	3.58	N. Zealand	3.61
India	.3372	S. Africa	4.47
Japan	.2608	Hong Kong	.2710

East Malartic Gets Ore to East

Surface diamond drilling at East Malartic Mines has indicated an ore body on the contact for a length of 480 ft. east of the most easterly face at the 485-ft level, the March progress report reveals. This ore has an indicated width of 48 ft. averaging approximately $6 grade. Drilling in the contact area further east is stated to be progressing with favorable results.

During the month development work on all the lower levels progressed in ore of mine average. March production was $270,621 from 46,009 tons of ore against $221,760 from 42,489 tons the previous month.

May Dividends Are Lower By $1 Million

Dividends scheduled to be paid by Canadian companies in May are estimated by The Financial Post at $7 millions compared with $7.9 millions in May a year ago.

In spite of the drop this month, the first four months of 1941 show an increase of about $2.5 millions over the corresponding period of 1940. Late payments in April resulted in that month showing a gain over a year ago of about $325,000 instead of the drop of about the same amount which first estimates indicated.

Seven extras are being paid this month. Brewers & Distillers of Vancouver is paying 10 cents a share. Canadian Oil Companies is paying 12½ cents a share and St. Lawrence Flour 50 cents a share. Other extras include three cents a share by Corporate Investors, two cents a share by Toburn Gold and one cent each by Kirkland Lake and Privateer.

Initiate Dividends

Three companies are paying initial dividends. Zellers has declared 20 cents a share; Inspiration Mining two cents a share; and Anglo-Canadian Oil four cents.

International Metal Industries is reducing arrears on its preferred and class A prefererd by extra payments of $3 a share and Remington Rand has declared a stock dividend of 10%.

Monthly Dividends

	1941 $	1940 $
January	23,026,402	22,938,309
February	10,655,895	6,779,319
March	27,821,583	28,740,412
April	23,823,789	23,487,730
May	6,975,373	7,927,144
Total	92,303,042	89,872,914

Summary of May Payments

	1941 $	1940 $
Dividends	6,975,373	7,927,144
Bond interest	38,303,000	36,703,000
Total	45,278,373	44,630,144

Dividend Payments

Company:	Rate $	Date	Amount $
Industrials and Utilities			
Ang.-Can. Tele., pf.	.68¾q	1	56,787
Ault & Wiborg, p.	1.37½q	1	6,182
Beatty Bros., 1st pf.	1.50q	1	15,000
Blue Ribbon, pfd.	.62½q	1	18,656
B. C. Telephone, 2nd p.	1.50q	1	67,500
Brewers & Distil., p.	.50	20	288,869
Do., bonus	.10	20	57,773
Calgary Power, pfd.	1.50q	1	88,500
Can. Bronze	.37½q	1	30,000
Do., pref.	1.25q	1	9,375
Can. Fairbanks, c.	.50	15	40,000
Coast Breweries	.03q	1	54,093
Comm. Alcohols, c.	.15	1	29,022
Cosmos Imperial, c.	.30q	15	30,000
Crown Corp	.50q	15	50,000
Distillers-Seag., p.	†1.25q	1	199,750
Dominion Bridge	.30q	23	154,185
Dominion Tar, pref.	1.37½q	1	69,231
Gordon & Belyea, A	1.50	1	3,300
Do., B com.	.30	1	277
Humberstone Shoe	.25q	1	5,000
Inter. Metal, p. & A pf.	1.50q	1	67,809
Do., arrears	3	1	135,618
Inter. Utilities, pfd.	†.87½	1	86,598
Neon Prod. W. Can., p.	1.50s	1	5,400
Ontario Steel	.25	15	12,110
Do., pref.	1.75q	15	6,304
Pac. Pwr. & Water, pf.	.75	1	2,692
Paterson, Wm., pf.	1.75q	1	658
Penmans	.75q	15	48,388
Do., pref.	1.50q	1	16,125
Quebec Power	.25q	26	138,299
Rem. Rand (stock)	10%	1	174,289
Rolland Paper	.15q	15	9,000
Saguenay Pwr., p.	1.37½q	1	68,750
Shawinigan W.	.22q	26	479,215
Simpsons, pref.	1.62½q	1	182,812
South. Can. Pwr., c.	.20q	15	79,998
St. Law. Flour	.25q	1	9,000
Do., extra	.50	1	18,000
Do., pref.	1.75q	1	10,062
Steel of Canada	.75q	1	345,000
Do., pref.	.75q	1	194,889
Weston, Geo., pfd.	1.25q	1	21,875
Wood, A. & J., pfd.	1.75q	1	11,375
Zellers	‡.20q	1	25,000
Do., pref.	.37½q	1	11,250
Total			3,434,016
Mining Companies			
Buff. Ankerite	▪.10	6	70,167
Gold Belt	.02	15	51,000
Gunnar Gold	.03s	1	81,123
Hedley Mascot	.02	15	45,282
Hollinger Cons.	.05	20	246,000
Howey Gold	.02	1	100,000
Inspiration Mining	‡.02	30	40,000
Inter. Nickel, pfd.	†1.75q	1	483,486
Island Mountain	.08	15	84,057
Kirkland Lake	.05s	1	266,330
Do., extra	.01	1	53,267
Leitch Gold	.02q	15	57,000
Little Long Lac	.10	23	184,100
Privateer Mine	.03	10	73,622
Do., extra	.01	10	24,540
South. Am. Gold	†.10s	7	176,000
Toburn Gold	.03q	22	55,500
Do., extra	.02	22	37,000
Upper Can. Mines	.04	31	118,124
Wendigo Gold	▪.03	2	52,482
Total			2,299,080
Oil Companies			
Anglo-Can. Oil	‡.04	1	90,000
Canadian Oil, c.	.12½q	15	17,970
Do., extra	.12½	15	17,970
Commoil	.01	26	9,702
Total			135,642
Financial			
Can. Bk. of Commerce	2q	1	600,000
Can. For. Invest., c.	.70	1	51,391
Can. Insur. Shs.	1a	10	40,238
Can. Investors	.10q	1	10,000
Common'th Intl.	.04q	15	6,535
Corporate Inv., A, B	.05q	15	9,929
Do., extra	.03	15	5,957
Dominion Bank	2.50q	1	175,000
Imperial Bank	2.50q	1	175,000
Mtge. Corp. N.S.	1.25q	1	8,500
Sherbrooke Trust	1.50q	1	4,500
United Corp., A	.37q	15	19,585
Total			1,106,635
Grand total			6,975,373

q—Quarterly. s—Semi-annually. a—Annually. †Payable in U. S. funds. ▪Subject to approval of Foreign Exchange Control Board. ‡Initial.

Agnew-Surpass Stock Listed in Toronto

Preferred and common shares of Agnew-Surpass Shoe Stores, Ltd., have been approved for listing on the Toronto Stock Exchange. Shares were posted for trading on Apr. 28, 1941, under the ticker abbreviation AS.

Shares had previously been traded on the Montreal Stock Exchange, and the common has been quoted on the unlisted section of the New York Curb. Head office is at Brantford, with plant and president's office stationed at Quebec City.

Orange Crush Sales Up 25%

Dividend to be Considered in Autumn — May Need More Finance

Increase of about 25% in sales of Orange Crush Ltd. in the first six months this year compared with the same period a year ago was reported by E. P. Taylor, president, at the annual meeting. Subsidiaries for the same period showed an increase of about 40%.

Mr. Taylor stated a dividend might be paid in the autumn if it could be done without offsetting improvement that may be made in working capital between now and then. Capital expenditures, such as the cost of the 10-ounce bottle introduced last year, were an important part of the reason for the lower working capital.

Mr. Taylor said continuation of growth at the present rate might make necessary further financing.

R. G. McMullen, secretary, was elected a temporary director to fill a vacancy caused by the death of Henry Wright.

FEATURES
in the May issue
THE CANADIAN CHARTERED ACCOUNTANT
Distribution and control of manufacturing expense
War savings plan of Hollinger Mines
Population and the wheat problem
Extent of Canada's financial war effort
Provincial tax amendments for 1941
Trade between Canada and India
Education for the profession
Published monthly. $3.00 per annum. Subscription open to all. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

SAGUENAY ELECTRIC

From Our Own Correspondent

MONTREAL. — A. W. Whitaker, Jr., general manager and chief engineer of Aluminum Co. of Canada, has been elected a director of Saguenay Electric Co. He replaces the late O. M. Montgomery.

Plan your FUTURE SECURITY Now!

ASSURE your future financial independence by using a systematic saving plan that has stood the test of nearly half a century of uninterrupted and successful service. This plan, operated under rigid statutory control, is now helping thousands of Canadian men and women with a definite program for a secure financial future.

And in helping yourself under this plan you also help protect your country. Monies paid by contract holders are invested in Canadian bonds and other securities to promote the strength of Canada's war effort.

Write our nearest branch today for full information on how this plan can be adapted to your needs.

INVESTORS SYNDICATE
OF CANADA LIMITED
Head Office: Winnipeg, Man.
Branch Offices at:
St. John, N. B., Three Rivers, Que., Montreal, Que., Toronto, Ont. Hamilton, Ont., London, Ont., Ottawa, Ont., Fort William, Ont., Regina, Sask., Saskatoon, Sask., Edmonton, Alta., Calgary, Alta.

Brewers & Distillers of Vancouver Limited and Wholly owned Subsidiary Companies

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31st, 1940

ASSETS

Current Assets:			
Inventories of Stocks on hand, on consignment and in transit, valued on the basis of cost or market prices whichever were the lower—			
Bulk and Bottled Beer, Whiskies and Spirits		$1,540,234.76	
Imported Spirits and Alcoolats, etc., for blending		80,188.44	
Materials and Supplies		139,069.04	
Barrels and Drums		177,724.66	
		$1,937,216.90	
Sundry Debtors	$530,064.09		
Less: Reserve for Doubtful Accounts	52,429.20	477,634.89	
Bonds of the Government of the Dominion of Canada, at market value with accrued interest		359,628.30	
Cash at Banks and on hand		722,519.56	$3,496,999.65
Equities in Affiliated Companies at Estimated Value			34,716.45
Deferred Charges:			
Insurance and Prepaid Items			19,579.17
Fixed Assets:			
Land at cost		$ 416,868.48	
Other Fixed Assets at cost with the exception of certain properties which are carried at new replacement value of $236,310.17 as determined by the Canadian General Appraisal Company Limited at March 31, 1923, together with subsequent additions at cost—			
Buildings	$2,184,478.51		
Machinery and Equipment	1,186,836.30		
Office Furniture and Fixtures	14,266.85		
Automobiles and Trucks	27,308.22		
Cooperage	27,410.92		
	$3,440,300.80		
Less— Reserve for Depreciation	2,149,250.54	1,291,050.26	
Licenses, Goodwill, etc., stated at the excess of the declared value of the consideration for the acquisition, in 1918, of certain fixed assets over the net book value thereof at that date, and cost of patent re malting process — less amounts written off		513,867.44	2,221,786.18
			$5,773,081.45

LIABILITIES

Current Liabilities:			
Sundry Creditors		$ 118,186.15	
Reserve for Income, Excess Profits and Other Taxes		347,210.43	$ 465,396.58
Reserve for Contingencies			67,115.08
Capital Surplus			410,888.28
Share Capital and Earned Surplus:			
Share Capital—			
Authorized: 750,000 Shares of $5.00 each	$3,750,000.00		
Issued: 608,964 Shares less 31,226 Shares held by a Subsidiary Company—577,738 Shares		$2,888,690.00	
Earned Surplus—Per Statement attached		1,940,991.51	4,829,681.51
Contingent Liabilities:			
Guarantees		$105,824.90	
			$5,773,081.45

Approved on Behalf of the Board: H. S. TOBIN, A. P. HORNE, Directors.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of Brewers & Distillers of Vancouver Limited and its Subsidiary Companies as at December 31, 1940, and have obtained all the information and explanations we have required. We report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up on the basis indicated thereon so as to exhibit a true and correct view of the state of the combined affairs of Brewers & Distillers of Vancouver Limited and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Chartered Accountants.

Vancouver, B.C., February 20, 1941.

BREWERS & DISTILLERS OF VANCOUVER LIMITED AND WHOLLY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNED SURPLUS AND PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 1940

Earned Surplus—Balance as at December 31, 1939			$1,527,225.61
Deduct:			
Dividend Paid		$ 433,303.50	
Amount written off value of Licenses, Goodwill, etc.		30,000.00	463,303.50
			$1,063,922.11
Add:			
Profits for the year ended December 31, 1940, before providing for the under-noted items		$1,381,321.22	
Deduct:			
Executive Salaries and Fees	$ 47,866.66		
Directors' Fees	13,750.00		
Legal Fees	[illegible]		
Provision for:			
Depreciation	133,647.94		
Income and Excess Profits Taxes	306,283.92	504,251.82	877,069.40
Balance being Earned Surplus as at December 31, 1940			$1,940,991.51

Bond Markets

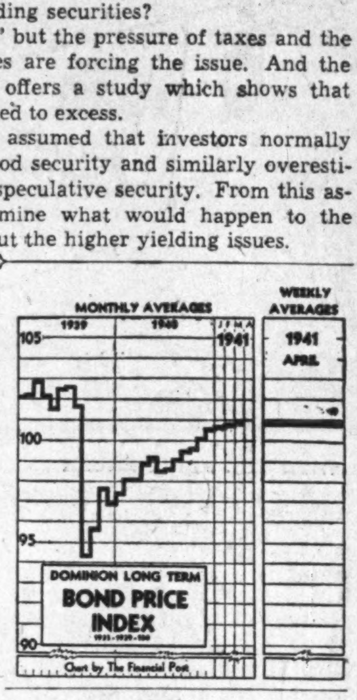
High Yields and Safety Found by British Plan

Capital Gain, 40% Higher Income Realized by Purchase of Selected High Yield Securities

Is it safe to purchase high-yielding securities?

Utmost caution might say "No," but the pressure of taxes and the low yields of high-grade securities are forcing the issue. And the "Investors Chronicle" of London, offers a study which shows that caution, like optimism, can be carried to excess.

The "Chronicle's" investigator assumed that investors normally overestimate the prospects of a good security and similarly overestimate the risk attached to a more speculative security. From this assumption, he attempted to determine what would happen to the investor who deliberately sought out the higher yielding issues.



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Careful Restrictions

But before buying the investigator set up rules to avoid some of the more obvious pitfalls. The sum to be invested was to be spread over 20 to 40 securities giving the highest yields possible. The companies represented had to be listed on the London Stock Exchange and be capitalized at over £1 million. Further, no security would be bought unless its yield was higher than the average for high-yielding securities as a whole, nor could it be purchased if the market price were below what it had been a year earlier.

As with all investment lists, the high-yield portfolio should be reviewed at intervals. The investigator chose to review his list every two months, selling those which had fallen in price below the figure 12 months before and reinvesting in issues which satisfied his requirements.

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40% More Income

Following these rules, a portfolio was selected as at Mar. 23, 1939, and was revised from time to time according to the rules. Taking the initial value of the portfolio as 100, and that of the Financial News (U.K.) Industrial Index of security prices as 100 at the same date, the capital value of the portfolio changed as follows:

Value on:	High-Yield Issues	Financial News Index
Mar. 23, 1939	100	100
Mar. 23, 1940	101.2	95.2
Mar. 23, 1941	83.9	82.8

The comparison shows that the high-yield securities had a better than average market performance, despite the disturbed times.

To compare the income received, the Financial News Index was again used, and a list of 30 securities selected. Over the period, the high-yield securities produced roughly 40% more income.

The "Chronicle" adds a word of caution. Although the investigation showed that from market action and from income received the high-yield group proved more satisfactory, this applies only to comparable securities. It does not follow, for example, that foreign government high-yielding securities are preferable to home government low-yield issues. But among foreign government securities, the higher yielding issues are likely to prove more satisfactory than the low, providing always that the rules laid down by the programme are strictly adhered to.

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Drawback For Canadians

Most obvious drawback to the plan is that in the event of a general market decline, the investor would have to sell all his holdings at a loss, and would not be able to reinvest until prices moved higher. It would appear that this restriction would effectively rule out the greater part of Canadian corporation bonds at the present time. Out of 44 corporation bonds quoted on the daily sheets of A. E. Ames & Co., 11 give yields of 5% and better. But of these 11 only three are quoted as high as a year ago. A few more issues suitable to the plan doubtless could be found in the corporation and municipal sections, but it is improbable if a list could be prepared which would give a satisfactory degree of diversification.

An investor who wished to experiment along the lines suggested by the "Investors' Chronicle" would apparently have to remain liquid until bond prices develop more resistance.

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Unofficial Ambassadors

Not all the canvassing for the Victory Loan will be done in Canada. Representatives of Canadian financial houses in New York have been taking steps to ensure maximum subscriptions on the part of Canadian subsidiaries of U. S. firms. Parent companies and private individuals are themselves prevented from buying directly into Victory Loans because of neutrality laws, but the U. S. head office in many cases has the final word on the amounts their subsidiaries in Canada will buy.

The Canadian bond men in New York who are doing this advance missionary work have, in many cases, made a specialty of Canadian issues in that market. A good demand for Canadian U. S.-payable is reported to have been built up, particularly in New England, where the Canadian issues, favored by the Dominion's high credit rating and the good yields available, occupy a leading position in any portfolio changes.

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Boosting Canada

Salient feature of a survey of the financial position of Canada, recently published by McMaster, Hutchinson & Co. of Chicago, is that Canada's willingness and ability to pay have never been questioned. The Dominion's foreign exchange position, even without "Lease-Lend" or the mobilization of Canadian investments abroad, is ample to service external debts.

The Chicago bond firm's survey contrasts the per capita debt of Canada and the United States, finding that while the debt in Canada is some $2 larger per capita, it is probably smaller than that of the U. S. in relation to national wealth. In contrast with the United States, Canadian debt is increasing at a relatively slow rate. In the four years, 1938-1941 inclusive, Canadian debt has grown $64.65 per capita, against $111.66 in the United States. The survey can find no sound economic reasons for the discounts at which Canadian obligations are quoted in New York.

• • •

Bond Index

For the fourth consecutive week the D. B. S. index of long-term bond prices held unchanged at 100.9 in the week ended Apr. 24. Fluctuations in Government long-term bonds have been narrow since beginning of the year, the index has held within a range of 100.7 and 101. Latest figures for the index is 1.6 points above the corresponding week of 1940.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Apr. 18-24	Preceding week Apr. 11-17	Weekly average year ago
Price	100.9	100.9	99.3
Yield	95.9	95.9	99.6

Jellett Heads Committee Of Tramway Bondholder

From Our Own Correspondent

MONTREAL.—R. P. Jellett has been elected chairman of the committee of first mortgage bondholders of Montreal Tramways Co., which consists of W. H. Clark-Kennedy, C. P. Fell, Charles Moncel and J. F. Wilkes. W. E. Bickley was appointed secretary; Gilbert S. Stairs, K.C., counsel.

The Committee decided that the tramways company should be asked to submit its proposal for the settlement of its first mortgage indebtedness. The Committee feel that the earning power and financial resources of the company should enable it to pay off the first mortgage bonds over a comparatively short period.

Bond Tenders

4 p.m., May 12, Hull, P.Q.—$188,000, 4 or 4½% bonds dated May 1, 1941, redeemable serially from May 1, 1942 to May 1, 1956. H. L. Leblanc, clerk.

12 noon, May 1, Canada Treasury Bills—$35,000,000, dated May 2, 1941, payable July 30, 1941.

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B. A. Oil Co. Hears Kicks At Refinery

Clarkson Project Termed Nuisance—Development in U. S. Satisfactory

British American Oil Co.'s proposed new refinery at Clarkson, Ont., was termed a "nuisance industry" by D. L. McCarthy, K.C., at the recent annual meeting.

Mr. McCarthy appeared on behalf of holders of 15,000 shares who reside on the Lake Ontario shore, near the site of the new refinery B. A. Oil is erecting to make lubricating oil. He stated he was also acting for other owners of property which he valued at millions of dollars but who were not shareholders.

Allan Ross, Ryland New and other residents of the district supported Mr. McCarthy.

Best Site Available

A. L. Ellsworth, president, replied the company had investigated other possible sites. For one site the Toronto Harbour Commission wanted $22,000 per acre and it would have cost another $20,000 an acre to drain. Another parcel, partly submerged, could have been bought for $10,000 an acre but estimates of filling costs were $25,000 an acre. Mr. Ellsworth claimed an additional $2 millions would have been needed to build the refinery in Toronto industrial areas.

He claimed the immediate district around the new site on the Ontario lake front was not a residential area; that new design and engineering would come as close as possible to eliminating the odor and pollution.

Asked if it was the company's intention to remove its Toronto plant to the Clarkson site, Mr. Ellsworth said this was not impossible but that there was no immediate intention of doing so.

U. S. Output Up

Last year British American Oil Producing Co. increased its average daily production of crude to 10,000 bbls. This compares with daily production of around 2,000 bbls. daily in 1935. During the past five years the company had drilled 266 wells of which 238 were producers. At the end of 1940, the company was producing oil from 270 wells in various fields in the United States and in spite of withdrawal of 3½ million bbls. last year, crude oil reserves at the end of the year were higher than at the beginning.

During 1939 and 1940 the company's exploration programme resulted in the discovery of four new oil fields which were in process of development. The producing company operates in Oklahoma, California, Montana, Kansas and Texas.

Although no dividends were received from this investment last year, Mr. Ellsworth told shareholders he anticipated the B. A. Oil Producing Co. would make substantial repayments of advances to help pay for construction of the new refinery. These advances totalled $1.4 million at the end of 1940.

Exploration Continues

In its exploration work in the U. S. the company is surveying an average of more than 150,000 acres annually. Since 1935 more than 70,000 acres have been placed on the company's books. All of this acreage is located on either good subsurface geological data or seismic structure. During this same period more than 5,000 productive acres were added.

At the present time approximately 250,000 acres of prospective permits are to be explored by various geological methods. Mr. Ellsworth expects "productive discoveries of major importance" in 1941.

Sales Up 15%

Sales of all products by B. A. Oil in Canada last year totalled 227,223,248 gallons, an increase of 15% over 1939. It had 514 tank cars in use at the year end compared with 471 at the end of 1939 and paid $6.7 millions in transportation costs last year, an increase of about $900,000 over 1939. Its payroll last year came to $3.1 millions and U. S. exchange cost $996,946.

The company now has 18,492 shareholders of whom over 90% reside in Canada and own over 80% of the issued capital.

All products participated in the gain in sales. Fuel oil sales, for example, exceeded refining capacity by about five million gallons which had to be imported from the United States. The company has arranged with the Department of Munitions and Supply to keep from three to four million gallons of aviation gasoline on hand at its various refineries.

Since Jan. 1, 1941, the company has obtained contracts for five new wells in Turner Valley, Alta. This makes a total of 40 wells from which the company receives crude oil, out of a total of 137 producing in Turner Valley. B. A. Oil is negotiating for further contracts. Until recently, the company had not made a direct commitment in oil exploration in Turner Valley. It has recently taken a half interest in 520 acres.

G. E. Watt was elected a director to replace the late G. W. Allan. Mr. Watt is in charge of crude oil department in Alberta.

E. and T. Fairbanks To Surrender Charter

From Our Own Correspondent

MONTREAL. — E. and T. Fairbanks Co. has asked to surrender its charter. This company is a wholly owned subsidiary of Canadian Fairbanks-Morse Co., which purchased control in 1916. It manufactures in its Sherbrooke plant, scales, valves, oil-burners, etc. The parent company is exclusive sales representative in Canada and Newfoundland.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Viceroy Mfg. ...	4½%	1952	July 1	103
Cons. Press.	6½%	1949	June 1	103
Shawinigan W..	†3½%	1946	May 15	101
Fam. Players .	‡3½%	1942	June 1	101
Morrison Brass	▲7½%	1947	July 1	101
Victoria Realty .	■6%	1948	July 2	102½
New Eng. Pwr.	*3½%	1961	May 15	103½

Drawn by lot. †$3,000,000. ‡$350,000. ▲$9,000. ■$13,500. *$96,000.

Stock Issues:

J. S. Mitchell .. 7% Pref. June 5 †110

†Plus accrued dividend.

May Commandeer Salmon Pack

Hope to Stabilize Price and Supply For Britain

From Our Own Correspondent

VANCOUVER. — The Canadian Government may commandeer a large portion of the British Columbia salmon pack, last year valued at close to $1 million, in order to stabilize supply and price for the United Kingdom market.

Dr. D. B. Finn, deputy minister of fisheries, has been on the Pacific coast for several days conferring with salmon packers, fishermen and boat owners with a view to having the pack increased this season.

It is expected that within the next few weeks action will be taken at Ottawa to apply control to the salmon operations similar to that already governing the export of bacon, cheese and eggs.

Such a move will be of direct concern to B. C. Packers, Ltd., Canadian Fishing Co. and all other organizations engaged in Pacific coast salmon fishing, but it will affect even more the brokerage houses engaged in the salmon trade. If the contemplated deal is made, brokerage will virtually be eliminated in Canada and the United Kingdom so far as the supply of canned salmon is concerned.

In the last war all canned salmon was commandeered by the Canadian Food Control headed by the late Henry B. Thomson of Vancouver, who fixed the price and supervised the distribution.

Meantime price conferences between fishermen's unions and the packers which usually occupy several weeks are being expedited so that an agreement may be reached while Dr. Finn is on the coast. It is understood that the Canadian Government already knows pretty well the amount that the British Government is prepared to pay for its salmon supplies.

It has already been established that, regardless of trade restrictions and ship shortage, the United Kingdom is in the market for the bulk of British Columbia's pack. The United Kingdom absorbed nearly all the B. C. export pack except a few relatively unimportant grades. Canned salmon has proved itself to be an excellent food for storage under war conditions.

It has been suggested that the packing industry make an effort to increase sales of frozen and fresh salmon in the domestic market this year, as these grades are not acceptable to the United Kingdom owing to wartime restriction of refrigerator tonnage.

This policy, it is claimed, would make available for the British Isles a larger proportion of the canned pack.

Company Reports

Canadian Airways

Canadian Airways Ltd. reports operating profit of $21,187 for 1940. This compares with a loss of $73,464 in 1939. After provision for retirement expense, interest and allowing for recovery of accounts receivable formerly written off, the company had a deficit of $102,463 last year, less than half of that for 1939. President Sir E. W. Beatty reports that improvement was not entirely due to better operating results. In addition to accounts receivable recovered, the company reduced self-insurance charges by $24,691 by recovery of an aircraft written off in 1939.

Capital expenditures made last year totalled $383,505 and included seven aircraft, 17 engines and other equipment. Eight aircraft and nine engines were retired during the year, leaving the company with 41 aircraft, a reduction of one.

Operating Statistics

	1940	1939
Miles flown	2,283,926	1,938,962
Hours flown	21,764	18,596
Passengers carried	29,759	20,214
Pounds flown:		
Mail	627,924	627,139
Goods	5,851,023	3,668,456
Passengers miles	3,513,074	2,953,403
Pound miles:		
Mail (000)	101,379	93,647
Goods (000)	718,394	429,925
Radio stations	31	16

Last year the company sold 112,500 new shares for $450,000. This was used to purchase new equipment and improve working capital. The company now has 262,253 no par shares outstanding compared with 129,753 a year earlier. Capital write-off amounting to $2.7 millions was applied toward reducing the deficit as shown below.

The company has incorporated Canadian Airways (Training) Ltd. to operate No. 2 Air Observers school at Edmonton. Quebec Airways (Training) Ltd. has been incorporated as a subsidiary of Quebec Airways Ltd. to operate No. 11 elementary flying training school at Cap-de-la-Madeleine, Que. Both are units in the British Commonwealth Air Training Plan. Late in the year the company was also asked to operate an engine overhaul depot at Stevenson Airport, Winnipeg.

Consol. Income and Deficit Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating revenues	1,169,730	942,320
Less: Oper., selling, admin. exps.	1,116,475	988,066
Legal expense	10,109	5,321
Exec. salaries	21,959	22,759
Directors' fees	......	240
Operating profit	21,187	*73,464
Less: Retire. exp.	148,190	143,935
Interest (net)	460	519
Income & E. P. tax..	6,661	1,327
Add: Acct. rec., recovered	31,661	......
Profit on invest.	......	7,875
Deficit for year	102,463	211,370
Add: Prev. deficit	1,753,841	1,542,470
Goodwill, w/o	951,804	......
Organ. exp. w/o	53,476	......
Less: Capital reduct'n.	2,704,089	......
Distrib. surplus	†132,500	......
Deficit forward	24,995	1,753,841

*Loss. †Portion of proceeds of 132,500 shares sold during the year set aside as distributable surplus.

Working Capital

	1940	1939
	$	$
Current assets	351,141	280,957
Current liabilities	419,877	601,883
Excess of curr. liabs.	68,736	320,926

Can. Inter. Paper

Sales and other income of Canadian International Paper Co. in 1940 totalled $54.2 millions, against slightly less than $39 millions in 1939. After increasing depreciation reserve from $1.7 million to nearly $5.1 millions, net profit totalled $1,270,344, as against $825,703 the year before.

Financial position was considerably stronger at the end of 1940. Net working capital of $22.2 millions shows an improvement of $4.4 millions. Funded debt was reduced from $58,3 millions to $56.9 millions and amount due to affiliated companies from $17.6 millions to $17.1 millions. Investment in property increased in 1940 by $400,000; cash by $700,000 to $3.9 millions. Amount owing by International Paper Sales Co. increased from $4.7 millions to over $5.1 millions.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Sales	52,854,256	38,380,617
Other income	1,365,953	587,188
Total revenue	54,220,209	38,967,805
Less: Cost of sales	42,537,561	33,354,592
Sub. interest	751,099	750,158
C. I. P. interest	2,090,779	3,226,894
Debt discount	315,773	321,064
Depreciation	5,099,327	1,707,168
Depletion	551,894	427,029
Taxes	603,470	6,303
Net profit	1,270,344	825,703
Previous deficit	15,599,220	14,705,980
Less: Bond prem.	31,919	......
Adjustments	84,356	84,356
Add: Bonds red.	......	16,818
Deficit forward	14,276,439	15,599,221

Working Capital

	1940	1939
	$	$
Current assets	27,267,490	24,644,087
Current liabilities	5,053,799	6,789,538
Working capital	22,213,691	17,854,549

Phillips Electric

Phillips Electrical Works Ltd., controlled by Associated Telephone and Telegraph Co., reports operating profits of $789,163 in 1940, compared with $517,473 in 1939.

After increase in income and profits tax from $52,420 to $280,549, and greater depreciation provision, net profit of $193,066 compared with $186,859. This was equal to earnings on the common stock of $5.36 a share in 1940 and $5.19 in 1939.

Balance sheet at the end of 1940 showed uncompleted contract payments of $44,387, compared with $345,300 at the end of the preceding year. Accounts receivable increased by $413,101 to $1 million, while inventories rose to $1.9 million from $990,970. Funded debt was reduced by $32,500 during the year to $1.2 million.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	789,163	517,473
Less: Exec. sals.	42,800	35,494
Directors' fees	11,560	9,990
Legal fees	2,840	1,263
Depreciation	175,000	150,000
Bond interest	62,075	58,716
Bond exp. w/o	6,215	5,250
Gen. res., etc.	1,082	5,481
Conting. res.	13,976	......
Employees' benefit	......	12,000
Inc. & profits tax	280,549	52,420
Net profit	193,066	186,859
Less: Dividends	180,000	72,000
Surplus for year	13,066	114,859
Add: Prev. surplus	329,740	214,881
Exchange profit	10,944	......
Surplus forward	353,750	329,740

Working Capital

	1940	1939
	$	$
Current assets	3,689,425	2,714,725
Current liabilities	1,847,776	977,326
Working capital	1,841,649	1,737,399

Lord Nelson Hotel

Annual report for 1940 of Lord Nelson Hotel Co., Halifax, shows marked improvement in operating revenues and working capital. Net loss was reduced over 75% to $12,754 for 1940, against $52,554 for 1939. Working capital rose by more than $30,000, sharpest gain being in cash which increased to $48,969 as compared with $16,836 at the end of 1939.

Profit and Loss Account
Years Ended Dec. 31

	1940	1939
	$	$
Oper. revenue	311,093	226,814
Less: Oper. exp.	274,901	230,567
Oper. profit	36,192	*3,753
Less: Deprec.	24,946	24,801
Bond int.	24,000	24,000
Net loss	12,754	52,554
Add: Prev. deficit	619,020	566,466
Deficit forward	631,774	619,020

*Loss.

Working Capital

	1940	1939
	$	$
Current assets	71,572	37,007
Current liabilities	22,910	18,587
Working capital	48,662	18,420

Loblaw Groceterias Inc.

Loblaw Groceterias, Inc., reports net profit for the year ended March 1, 1941, equivalent to $1.02 a share on its common stock. This compares with 89 cents the preceding year. Dividends of 80 cents a share were paid both years.

F. K. Morrow, president, reports continued expansion and modernization. Of the 107 stores in operation, six have been substantially enlarged, two were modernized as to interior display and meat markets added. Seven stores were closed, each being replaced by a larger unit in the vicinity. Eleven new stores were opened, giving the company 118 stores in operation at March 1 this year. Of these stores 105 are in New York State with 36 in Buffalo and 18 in Rochester, while 13 are in Pennsylvania.

Balance sheet March 1 this year shows merchandise inventory at $1.5 million, up approximately $220,000 from a year ago. Cash on hand is $345,963, compared with $274,067. Bank loan of $150,000 is down from $200,000 a year ago. Capital surplus account has been increased by $12,000, representing premium received on sale of shares, to $223,585.

Income and Surplus Account

	Year ended Mar. 1, 1941	53 Weeks ended Mar. 2, 1940
	$	$
Net trading profit	530,079	397,459
Add: Profit on Chicago realiz.	......	1,137
Less: Income taxes	153,901	70,328
Mdse. invent. res.	30,000	30,000
Net profit	346,178	298,268
Less: Dividends	271,588	269,150
Surplus for year	74,590	29,118
Add: Prev. surplus	29,118	
Earned surplus fwd.	103,708	
Earned per Share	$1.02	$0.89
Paid	0.80	0.80
Shares O/s., $6 par	339,492	336,492

Working Capital

	Mar. 1, 1941	Mar. 2, 1940
	$	$
Current assets	1,875,819	1,604,096
Current liabilities	1,001,418	731,852
Working capital	874,401	872,244

Montreal Cottons Ltd. Yardage Gains 17%

From Our Own Correspondent

MONTREAL. — Montreal Cottons Ltd. had increases in practically all lines of production on 1940 operations, according to W. G. E. Aird, managing director, at the annual meeting of shareholders.

Total yardage produced was 17.09% above the previous year, and poundage was up 34.06%. Yarn for the electrical, knitting and webbing trades showed an increase of 30%.

From August to December, 1939, the managing director reported, number of employees increased from 2,650 to 3,150 and by the end of 1940 they numbered 3,520. Total hours of employment in the Valleyfield mill, which increased 55% in 1939, stood at 72% above prewar figures at the end of 1940.

NAMED MANAGER

Frank R. Lewis has been appointed manager of the Montreal office of the advertising service department of the Southam newspapers. He succeeds A. H. Allardyce, whose appointment as advertising director of the Winnipeg Tribune was announced recently. Mr. Lewis joined the Southam staff in 1925 and since 1934 has been in the Toronto office of the company.

Strikers Intensify Drive Against Wartime Policy

Union labor leaders this week intensified their bid to break wartime control over strikes and non-stop wage flights.

Impact of strikes and "work holidays" on the steel and allied industries extended from Nova Scotia to Sault Ste. Marie.

The Government policy to check wage inflation, stabilize industrial relations and maintain war output unhampered, was challenged with increasing defiance by union agents. Intent on all-out unionization of war supply workers they were evidently willing to hobble basic war production to achieve their aims.

Steel Strikes Spread

Early in the week unionists made good their threat to spread disruption of operations in the steel industry, producing war supplies both indirectly and as raw materials and parts for other war industries. While the walkout of 340 workers still tied up the Peck Rolling Mills plant in Montreal, the Steel Workers Organizing Committee (C.I.O.) called a strike of union workers in the big plant of National Steel Car Corp. in Hamilton.

Ostensible issue in the strike was the firing of one man, but actually it revolved around the demand for union recognition.

Operations at the Steel Car plant were continued by employees who reported for work but were curtailed by the strike. A total of 2,700 workers is normally employed in the various units of the plant. The walkout was voted by 200 union adherents to enforce demand for reinstatement in his job at the plant of the president of the local branch of the S. W. O. C. At mid-week the strike was abruptly ended when the Government took control of the plant and the fired employee got his job back.

Conciliation Board Finding

A conciliation board was recently established to deal with a dispute with union affiliated employees in maintenance departments involving demands for union recognition, wage increases and reinstatement of workers allegedly fired for union activity. Last week the board made an interim report advising reinstatement of the local union president, pending final settlement of the dispute as a whole. This the company declined to do and persisted in its refusal even after the strike had been called.

The union on its part refused to go ahead with conciliation hearings on the other phases of the dispute until the man was put back to work, and finally called the strike to bring the matter to a head. There is some question of the legality of the strike, as strikes in war industries are barred until after conciliation boards have probed disputes and made their findings.

However, the interim report of the board was apparently deemed sufficient to legalize the walkout, even though the dispute as a whole has not been dealt with.

The S. W. O. C. apparently sought to make the Hamilton walkout the centre of a spreading whirlpool of strikes, to add momentum to the drive against wartime labor controls. The steel union had planned "work holidays" of unionized workers in the Nova Scotia steel plants of Dominion Steel & Coal Corp., the Sault Ste. Marie plant of Algoma Steel Corp., the Nova Scotia coal mines of Dosco, and steel fabricating plants in the central provinces.

Scheduled as 24-hour work stoppages these walkouts were stated to be "sympathy strikes to permit discussion of the National Steel Car case." Fully implemented such "holidays" would involve 7,000 men.

The strike at Peck Rolling Mills, Montreal subsidiary of Dosco, was briefly suspended to permit a small group of workers to move out 124 tons of finished steel products required by war industries. The temporary break in the strike was arranged at request of D. S. Wood, deputy steel controller.

LEAVES LINDSAY BOARD

From Our Own Correspondent

MONTREAL.—Stanley Johnston has resigned from the board of directors of C. W. Lindsay & Co. Mr. Johnston has been on this board since 1928.

Canadian Exchanges Cut Trading Hours

As New York City goes on daylight saving time stock exchanges in Montreal and Toronto have announced that trading hours will be 10 a.m. to 3 p.m. Monday to Friday; on Saturday, 10 a.m. to 12 noon. This brings trading hours in Canada the same as those in New York.

Last fall when New York gave up daylight saving, but it was continued in Montreal and Toronto, Canadian exchanges were forced to extend trading hours by one hour to make their period coincide with New York.

Cons. Diversified Cuts Non-income Holdings

From Our Own Correspondent

MONTREAL.—Increased investment income of Consolidated Diversified Standard Securities Ltd. resulted chiefly from elimination of a number of non-dividend paying securities during 1940, and acquisition of cumulative preference stock, Hon. W. E. Foster, chairman, said at the annual meeting.

National Biscuit Earnings Stable

Net profit of National Biscuit Co. for the three months ended Mar. 31, 1941, is reported at $2,788,866, equivalent, after preferred dividend requirements, to 37 cents per common share, after depreciation, federal income taxes, etc. In the corresponding quarter of 1940 net profit amounted to $2,803,101, or 38 cents per common share.

C.P.R. ORDERS CARS

MONTREAL.—Canadian Pacific Railway Co. has placed an order for 250 hopper cars with Magor Car Corp., Passaic, N.J., at an undisclosed price.

Magor Car Corp. is controlled by R. J. Magor, president of National Steel Car Co.

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How to Safeguard Your Investments

A Service To Give You Full Facts and Follow-up News

THE FINANCIAL POST CORPORATION SERVICE analyses of Canadian mining companies will give you the essential facts you must have to select and keep in touch with your investments in Canada's mines. The value of these analyses is attested by the many investors who use them as a source of reliable information.

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The Editorial Page . .

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

A Check-rein For Inflation

We shall hear a great deal of talk about inflation in Canada this year. War always produces inflationary influences and they are at work, in greater or lesser degree, in Canada, the United States, Britain and all the warring countries. But there is some merit in the advice, privately given, of men in the Government at Ottawa: "Don't get unduly excited about what looks like inflation until you have considered all the circumstances."

There will be further short-term borrowing by the Government from the banks. Mr. Ilsley must raise more than $1 billion over and above tax revenues. He may not get it all by loans from the public. If not he must "create" credit for the balance. Depending on the circumstances, such borrowing may constitute anything from pump-priming or relieving a tight money situation to outright inflation. It is not always the latter.

Ottawa has to raise $1.8 to $1.9 billions this year for its own war and governmental expenditures. The amount can easily be covered by war loans and war savings.

But in addition Ottawa has to find enormous sums to help finance Britain. Some of this will be borrowed from the Canadian people in war loans. But it is not certain that the whole $2.7 billions odd that Ottawa must finance this year can be obtained by taxes and by borrowing.

Hence some borrowing through the banks—call it inflation if you like—is inevitable.

The tremendous increase in national production may justify some increase in the credit structure of the country. At least, government economists argue that it does.

Another argument will, no doubt, be that it is not inflationary to borrow or to create credits for the purposes of helping Britain finance her purchases in Canada. To the extent that we repatriate our securities held in Britain we are reducing the mortgage on our national assets. To the extent that we buy sterling we are acquiring a claim on future British production. The argument is not entirely sound. Creating credit to pay off a capital debt is inflationary. But technical inflation is only dangerous when it begins to "take"; when it starts the price spiral up.

The real test will be the degree to which the people of Canada increase their production, divert key resources from civilian uses to the war, and make sacrifices for victory. This week's budget, with its heavier tax levies, put another layer of bricks on the wall of defense against inflation. A successful Dominion loan will add still a further layer.

If we see the Minister of Finance borrowing from the banks as a substitute for prudence in ordinary expenditure or as a substitute for taxation, then we may start talking of inflation.

In the final analysis, it is not the financial mechanics that will prevent or create inflation; but the resolution and efficiency—or otherwise—in the management of our war effort by the Government.

Save Now to Spend Later

Our war effort tends to defeat itself unless luxury spending is rigidly curbed, G. A. Gaherty, President of the Canadian Electrical Association told a British Columbia audience the other day. Mr. Gaherty suggested that the private citizens as well as governments might well adopt the slogan of "Save now and spend later." He said:

> "War brings about a far reaching redistribution of income. The few in the higher income brackets have their incomes drastically reduced but the great majority are better off. Those who for years have suffered straitened circumstances break out in a spending rash as soon as they have some loose cash, and it is not the necessities of life that they buy but the luxuries. This, by creating activity in the nonessential industries, diverts man power and foreign exchange from our war effort. Thus our war effort tends to defeat itself.
>
> "Somehow or other we must combine high industrial activity with a low standard of living for all. The workers must reconcile themselves in the national interest to deferring the reward for their labors until after the war; that is to say, they must save until it hurts while the war lasts. When it is over the spending of these savings will create work and so avert a post war depression."

This is timely common sense. Only through adopting such a course can we prevent a vicious spiral of inflation, dangerous to our war effort now, dangerous to the adjustments to the peace which must follow.

Canada's industrial machine is rapidly approaching capacity. It can turn out only so much goods. If unchecked luxury spending comes into sharp competition with the other war demands and necessities inflation will be the inevitable result. If our money, our war savings certificates, our life insurance are to have full value after the war then every care must be exercised now to guard against any artificial stretching of the dollar. This week's new taxes take much of the "stretch" out of the dollar. They make a lower standard of living a certainty for all.

Democracy and Total War

Can a democracy fight a total war and still remain a democracy?

"Yes," answers Geoffrey Crowther, editor of the Economist, of England, in the New York Sunday Times.

There are two tests of democracy in total war, says Mr. Crowther.

> "The first is that the powers of dictatorship must be in the hands of a government that sincerely considers itself a trustee of liberties, ready to hand them back when the emergency has passed.
>
> "The second is that free people, while handing over its liberties must retain one—the right to criticize."

The right to criticize is vital, the British people think, for the prosecution of total war. A democratic people will only follow those in whom it has complete confidence. The power to criticize and to answer criticism adds up to the only method, says this British editor, whereby a people and its government can keep in close, constant touch and renew their mutual confidence.

Mr. Crowther concludes:

> "The forms of democracy, the formal structure of checks and balances, can be safely put in trust for the duration of the emergency, provided the spirit of democracy can be preserved through the right of criticism."

Let's Tell Our Story

On every bale or box of goods leaving Britain for world markets is stencilled a message for all to see and read: "Britain Delivers the Goods." Simple, yet effective. It tells a story of indomitable spirit; of determination to overcome difficulties; of a nation united in a common cause.

Canada, too, has a story to tell. It is the story of her share in the fight against Hitlerism. We can tell of our fighting forces at home, in Britain, in Newfoundland, Iceland and the West Indies; of our navy and its splendid work in convoying men and materials to England; of the Commonwealth Air Training Scheme; of our industrial plants and shipyards; and of the way in which the whole nation is working to put down totalitarianism once and for all.

There is one audience that has asked to hear our story and has been told very little of it. It is the most influential audience in the world: 120 million people of the United States.

Day in and day out we should be putting before them the story of Canada's war effort. We should have a regularly organized information agency in the States. We should be making use of the many natural outlets which are at hand for that purpose: Canadian transportation companies, banks, provincial government offices and the thousands of Canadian firms with business links with the States.

It is not only good business, but commonsense to tell our story to Americans. Not only have they helped us but they have in many ways made possible the extent of our war effort. We may need that help in even greater measure before the war is over.

Like Britain, it is time Canada began delivering the "goods" to the States, only this time it should be the story of the Dominion's war effort.

Editorials in Brief

Someone telephoned The Financial Post this week to offer a suggestion. Mr. King does not want to go to London; Mr. Hepburn does. Why not, this person suggested, name Mr. Hepburn a member of Canada's cabinet and send him to London to represent Canada in an Imperial war cabinet?

We offer each of our readers a chance to greet the suggestion with the enthusiasm or derision that he considers appropriate.

• • •

Mr. Churchill's broadcast referred to three major battle areas; the Mediterranean, Britain and the North Atlantic.

Canadians have been impatient that our troops have not seen action in Greece, Egypt and Libya. But it should be noted that Canadian forces are actively engaged in the other two battles, which are likely to be much more decisive.

Canada's army corps in Britain have been trained, according to such neutral reports as Harvey Klemmer's "They'll Never Quit," as a mobile force of shock troops for the defense of Britain.

Canada's navy is doing an important job of protecting cargo vessels carrying munitions and food from North America to Britain.

• • •

The New York Daily News has discovered that Britain has "lost" the war. It wants the United States to intervene to prevent further bloodshed, by demanding a peace settlement now, even if only an armed truce, that will leave Hitler dominant in Europe.

For evidence that the British Commonwealth is not through yet, we refer the Daily News to the address given at Princeton last week by Arthur A. Schmon, head of the Chicago Tribune-N. Y. Daily News newsprint enterprises in Canada.

Mr. Schmon outlined Canada's war effort in impressive detail. There was no defeatism in his address.

Mr. Schmon and his bosses should get together for a heart to heart chat. The U. S. dollars his newsprint sales produce are a contribution to victory. But on that newsprint is printed the gloomy forecast of defeat.

• • •

How much land has Hitler occupied? Here is one index:

Those who deal in climate as a profession use what they call "isobars." An isobar is an imaginary line that runs through different areas having the same mean temperature. For instance, the isobar of 60 degrees mean temperature in July represents about the northerly limit for cereal production throughout the world. That portion of Canada that is below the 60 degrees isobar in July represents the comfortably habitable areas of this country.

The countries that Hitler has occupied in Europe represent an area equivalent to all the Maritime provinces plus the habitable areas of Quebec, Ontario and Manitoba, using the July isobar as a rough and ready index of habitability.

• • •

There is quite a controversy going on in the Canadian press as to whether or not Prime Minister King should go to London to confer with other British Commonwealth premiers.

Mr. King's attitude is on the record. He feels that with transatlantic telephones and other improved means of communication the need for an Imperial war cabinet meeting in London is less than in the last war.

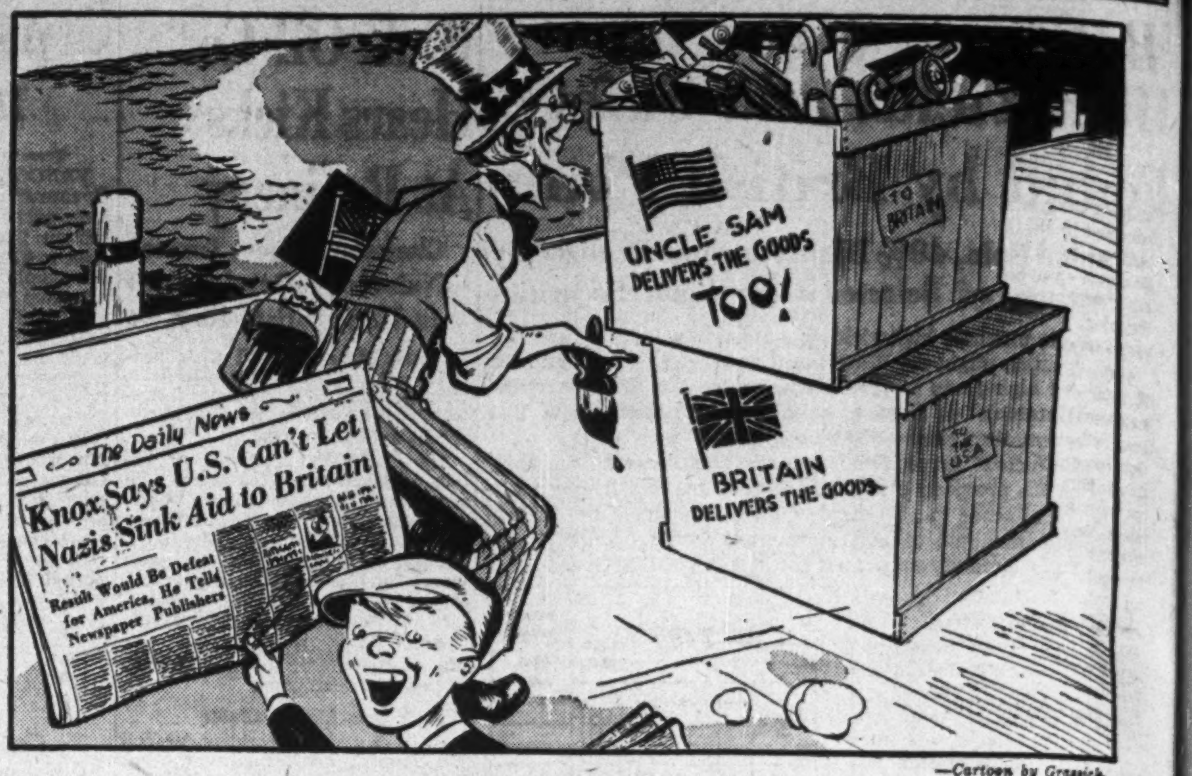
On the other hand, Mr. King has found it useful to meet President Roosevelt personally, although telephone service between Ottawa and Washington must be at least as good as between Ottawa and London.

There is much Mr. King could do by a personal visit to London. He could carry a message of tribute from the Canadian people to the men, women and children manning the moats in the Battle of Britain.

He could assure himself that the particular war programme Canada has drafted is the one best calculated to hurry up victory.

If a motor car drive with President Roosevelt can be so productive, then an hour's walk with Winston Churchill through the rubble-filled streets of Plymouth or Manchester ought to be even more helpful in insuring complete unity of action—unity of purpose already exists—between Canada and Britain.

The country would applaud a decision by the Prime Minister to visit England this summer.


UNCLE SAM DELIVERS THE GOODS TOO!
TO BRITAIN
BRITAIN DELIVERS THE GOODS
The Daily News
Knox Says U.S. Can't Let Nazis Sink Aid to Britain
Result Would Be Defeat for America, He Tells Newspaper Publishers

—Cartoon by Grassick.

PRACTICE WITH THE PAINT BRUSH

Post-Scripts . . . .

Trusts Expert

Gordon C. Lindsay, assistant general manager of the Toronto General Trusts Corporation, is the new president of the Ontario Trust Companies Association.

The Association assists its members in meeting problems common to trust companies, interprets new regulations, legal decisions, etc. With outbreak of war its duties have multiplied as a result of the increasing complexity of income and defense tax regulations, foreign exchange and custodianship of alien property restrictions. The Association has become something of a liaison officer between the Government and the thousands of Canadian citizens whose interests are protected by the trust companies.

G. C. LINDSAY

To the task of co-ordinating this work in the difficult twelve months which lie ahead, Mr. Lindsay brings a strong background of legal and trust company experience.

A westerner, Gordon C. Lindsay was born and educated in Winnipeg. A 1910 graduate of the University of Manitoba, he completed his training at the Manitoba Law School in 1913. Fifteen years of law practice in his home city followed, until in 1928 he came east to be associated with the legal firm of Messrs. Rowell, Reid, Wright and McMillan of Toronto.

After six years with the Toronto law firm, Mr. Lindsay joined the Toronto General Trusts in 1934 as executive assistant to W. G. Watson, the general manager. In 1936 he was promoted to the position of an assistant general manager of the Corporation.

Gordon Lindsay's share of his company's responsibility in administering nearly a quarter of a billion dollars of assets, and the claims of his new position as president of the Ontario Trust Companies Association do not leave much time for hobbies. Aside from a little curling at the Toronto Curling Club, the chief relaxation which Mr. Lindsay permits himself is taking his family (two young sons) away for the summer. The Lindsay family has not yet settled down in any one of Ontario's summer playgrounds, but a preference seems to have been established for the Bobcaygeon district of the Kawartha Lakes.

Moving Upstream

William George Ernest Aird, newly appointed managing director of Montreal Cottons Ltd., at Valleyfield, has been moving upstream both literally and figuratively during his forty years' career in the cotton manufacturing industry of Quebec.

Born in Quebec City, he started in to work at the age of 18 in the nearby mill of the Montmorency Cotton Co. at the foot of the Montmorency Falls. Five years later—1907—he breasted the St. Lawrence to Three Rivers where he became C. R. Whitehead's right-hand man in the Wabasso Cotton Co. There he built a reputation as a grey mill manager who got things done right and in a hurry. He also took a keen interest in community affairs. From 1923 to 1925 he was president of the Board of Trade, and in 1922 and 1923 headed the Three Rivers Branch of the Canadian Manufacturers' Association.

In 1932 Mr. Aird breasted the stream again, moving up to Montreal Cottons at Valleyfield, one of the largest cotton mills in the world. After being plant manager for four years, he became general manager in 1936 and a director of that company in 1939.

Married during the course of his upstream journey, Mr. Aird lives with his lady in a white colonial house so close to the Valleyfield mill that the breadwinner does not have to go to work—he is there already, twenty-four hours a day. In the warm weather he does occasionally relax long enough to do some farming. He has been known to engage slightly in curling during the winter, but the only sure place to find him anytime of the year is at the cotton mill.

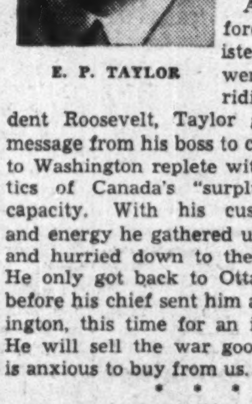
The mill is a decade or so older than Mr. Aird, it having come into the world about 1874, but unlike its new managing director the mill is not self-sufficient. It requires a great deal of attention, especially in this year when the Government is depending on it for millions of yards of anti-gas cloth, khaki drills for uniforms, broadcloth for air force shirting and duck for tents and all manner of other uses in the war.

• • •

War Salesman

Now that the momentous meeting of President Roosevelt and Prime Minister King at Hyde Park has passed into history the big job of making the agreement effective lies ahead.

A big share of this responsibility falls on E. P. Taylor, one of Canada's busiest dollar-a-year executives and for some time past, executive assistant to Hon. C. D. Howe, Minister of Munitions and Supply.



E. P. TAYLOR

Mr. Taylor left for Washington last week to "assist in setting up the necessary organization to carry out the new economic co-operation between Canada and the United States."

A day or so before Prime Minister W. L. M. King went motor car riding with President Roosevelt, Taylor got an urgent message from his boss to come post haste to Washington replete with latest statistics of Canada's "surplus" munitions capacity. With his customary drive and energy he gathered up the statistics and hurried down to the U. S. capital. He only got back to Ottawa for a day before his chief sent him again to Washington, this time for an indefinite stay. He will sell the war goods Uncle Sam is anxious to buy from us.

• • •

As a matter of fact even though the pact between the two countries has been signed and approved, there is still an important selling job to be done. Each one of six or eight Washington departments and buying agencies must be convinced that Canada has the right type of equipment and at the right price. In other words, though President Roosevelt has underwritten orders to make sufficient purchases to balance exchange between the two countries (perhaps a matter of $300 millions a year), there is still a selling job to be done to those who will actually buy and use this equipment.

For the next few weeks this will be Mr. Taylor's responsibility.

"Charles A. Lindbergh and his kind might just as well be dropping bombs on London as urging us to fold our hands in composure, turn our eyes away from Europe and say—too bad for England, but it can't happen to us."—*Dr. Robert A. Millikan, California physicist and Nobel Prize winner in recent New York address.*

Welcome Visitor

Robert Gordon Menzies, the Prime Minister of Australia who is to visit Canada and the United States on his return from consultations with the British Government in London, is one of the wartime leaders who is "under fifty." He was born in 1894, and he has been chief executive of the Australian Commonwealth since Joseph Lyons died in April, 1939. He had been attorney-general in the Lyons Government.

PREMIER MENZIES

Mr. Menzies is a big man, weighing well over 200 pounds. He was a jovial and successful barrister of Melbourne, and he is a product of Australia. Many political leaders of the past in Australia finished their educations in England, but not Menzies. He went to Wesley College, Melbourne, and then studied law in Melbourne University. He was called to the bar in 1918, and entered state politics in Victoria in 1928. He was attorney general of Victoria and at one time was acting premier.

• • •

But in Australia as in Canada, the call of federal politics is strong among parliamentarians of province or state, and in 1934 he entered the federal parliament at Canberra. Mr. Menzies is undoubtedly the most eloquent member of that parliament. He is renowned as Australia's best public speaker, and he frequently amazes his colleagues by the grasp of public issues he displays in extempore debate.

The new Australian coalition government was formed on March 14, 1940, and the Menzies Government represents a fusion of the United Australia party, led by Menzies, and the Country party, led by H. W. Fadden. Mr. Fadden is acting prime minister in Australia at the present time.

But the Menzies government enjoys a majority in parliament of only two votes, and this is too narrow for comfort in normal times. The vigorous Labor opposition, led by John Curtin, of West Australia, is itself split in two factions. This will probably assure the life of the Menzies government for the duration of the war. The New South Wales wing of the Labor party is adopting a fairly independent line from the federal Labor party led by Curtin.

Mr. Menzies will be absent from Australia approximately five months from the day he left, shortly after the New Year, to visit Australian troops in Egypt and then go on to London to talk with Prime Minister Churchill. He was greeted with great popularity in Britain. His remark that while in Egypt he saw more Italian prisoners than allied troops was quoted widely by Englishmen. He took to Britain a story of Australia's great war effort and the promise of more to come. He wants to see for himself what North America is doing in the common cause before he sails back to the Antipodes.

• • •

Stop Me If . . . .

Three Canadians, sleeping in a tent in one of the English training areas last summer, were rudely awakened by a terrific crash not far away.

"What was that—thunder or bombs?" asked one.

"Bombs," was the laconic answer.

"Thank heaven for that!" chimed in the third. "I thought we were going to have more rain!"

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Other People's Views . . . . . .

The Canadian Editorial of the Week

Strengthen the Government

Orillia Packet-Times

Nor is there any question that, outside Quebec, and even in the English speaking sections of that province, there is now a very widespread and decided opinion that the Government should be strengthened for its task by making its membership so representative that it would have the confidence of the whole country.

We do not for a moment question the desire and determination of the present administration to throw Canada's full weight into the struggle, and to make Canada's war effort as effective as they can. There is no longer any indication of a tendency to limited liability. Nor is there any doubt that the Government includes men of real ability who are giving of their best.

But no one who is actively engaged in war work can well question that their efforts are in some degree handicapped by the fact that there is a purely party Government at Ottawa. Moreover, it is only too obvious that the Government should be materially strengthened by men of executive capacity and driving force, drawn from circles for which public life has at ordinary times no attraction.

• • •

The Mail-box

Suggests New Tax

Editor, The Financial Post:

Some months ago I suggested to the Minister of Finance that an easy way of raising a very substantial sum of money without any collection expenses or the employment of collectors, in fact, no expense beyond the printing of the stamps **which** could be distributed through the **post office,** would be to have an excise **stamp of 15c. or perhaps 25c.** attached to every insurance policy and for each renewal.

I believe by looking through the Blue Book and other data of the insurance companies that a very conservative average would be 1½ policies per capita of the population which if we fix at 11,000,000, at 25c. for the stamp, would result in a revenue of $4,125,000, and this would certainly not cause anyone the slightest inconvenience.

I received a letter stating that my suggestion had been noted and I am writing you in the hope that perhaps the suggestion could be put forward more forcibly and influentially than I have been able to do from this distance.

Saskatoon. A. J. E. SUMNER.

Editor's Note: The Financial Post believes that public opinion is opposed to the introduction of any additional forms of "nuisance" taxation where the amount of revenue is disproportionate to the labor and bother demanded of hundreds of thousands of citizens.

• • •

Tax Exemption on Refugees

Editor, The Financial Post:

I wish to draw your attention to a matter which I think should be remedied without delay and wish to enlist the aid of your valuable paper.

Under the present government plan, hosts to evacuees may claim exemption of $400 for each dependent, also exemption of defense tax. Now last July we had two children aged 10 and 12 and their mother come to us from England as our guests for the duration of the war. Unfortunately they paid their own fare out here, and by doing so we cannot claim any exemptions. This seems to me grossly unfair.

I can furnish you with copy of letter from Ottawa informing us of the ruling if you wish.

Alberta. A SUBSCRIBER.

As Others See Us

Most Disconcerting Situation

Moncton Times

Taking issue with Mr. Mackenzie King's determined stand pat attitude that the present Federal ministry is satisfactory, The Financial Post declares that such singular complacency on the part of the Prime Minister is understandable only in terms of his traditional habit of never acting until public opinion explodes.

What Mr. King needs first, The Post asserts, is a stronger cabinet. Then he needs an inner war cabinet, freed from departmental responsibilities, and charged with the duty of planning our war effort and co-ordinating all its phases.

The contemporary certainly voices the opinion of the large majority of Canadians when, in conclusion, it states that "Mr. King's supreme contentment with the set-up of our war administration is disconcerting. It is reminiscent of our complacent idleness during the first nine months of the war; an idleness which is now being blamed entirely upon the British."

• • •

Untimely Expenditures

St. Catharines Standard

The Financial Post, in a front page editorial, mentions these questions and answers as coming out in the House of Commons:

> How much money was spent on the new Canadian National Railways station in Montreal during 1930?
>
> Answer: $2,174,590.82.
>
> How much was spent on the same in 1940?
>
> Answer: $3,599,075.82.
>
> What is the estimated revenue on the same for 1941?
>
> Answer: $4,100,000.

The diversion of these millions of dollars of steel and man power into this passenger station project in Montreal shows callous neglect of the promises and undertakings given to the people of Canada by their Government.

On Nov. 21, the Minister of Finance said:

> "I think it is highly essential that all of us should economize all we can and not spend our incomes on things which compete for labor and materials with war production.

The Post wants to know if sacrifices have to be made entirely by civilians and pet projects of the Government escape from spending which should be deferred until after the war.

Recently on a visit to that gigantic construction of the Rainbow Bridge at Niagara Falls, the argument was set forth that this job should have been held back until after the war when it would have helped to take up the slack. As it is, men, steel, engineering science and finances are being poured into the project, all of which would augment the national war effort, if channeled that way.

When all is said and done, there is only one thing important now in the lives of all. It is winning the war; seeing the thing through.

• • •

Where Are War Profits?

Chesley Enterprise

Five Canadian companies paid nearly $20 millions more in taxes last year than in 1939. The first 42 companies presenting financial statements in 1941 showed that net profits decreased 3.9 per cent. while income and excess profits taxes had risen 116.95 per cent. As The Financial Post remarks, if anyone had the idea that this war was going to produce a crop of profiteers, the reports should quickly disillusion them.

• • •

"There can be no temporizing with lawlessness or with disregard for the elemental rights of nations and peoples." —*Cordell Hull, U. S. Secretary of State.*

Sayings of the Week

"Complacency is Public Enemy No. 1." —*U. S. Undersecretary of War Patterson.*

• • •

"The standing charge of Hitler is that Great Britain 'owns a quarter of the world' to which she forbids all access by other peoples of the earth. It will be up to us to show that that accusation is false, not true."—*Sir Norman Angell.*

• • •

"There is nothing to be gained by not looking ugly facts in the face. Ebb and flow must always mark the tide of war, but I am confident that Britain will in the end not go down before so vile a thing as the Nazi system has shown itself to be."—*Lord Halifax.*

• • •

"No matter what may happen in England, Hitler is already beaten by the fact that beyond his reach are free and independent democracies which can never be reached by Hitler and which make certain his eventual, complete and absolute defeat."—*Lord Marley.*

• • •

"The day has passed when Pan-Americanism was a theory and an ideal. Today it is a fact, a bulwark in the defense of our hemisphere, and a conception which coincides significantly with the national purposes of Canada." — *J. Pierrepont Moffat, United States Minister to Canada.*

• • •

"Today the Air Training Plan appears like a cloud as small as a man's hand on the horizon. But it will come to pass that the heavens will be black with that cloud, and its great rain will destroy the Nazi enemies of men's liberty and progress." — *Hon. Malcolm MacDonald, British High Commissioner.*

• • •

"Having gone thus far, we can only go on. Hitler cannot allow our war supplies and food to reach England—he will be defeated if they do. We cannot allow our goods to be sunk in the Atlantic—we shall be beaten if they do. We must make good our promise to give aid to Britain."—*Col. Frank Knox, U. S. Secretary of Navy.*

B. C. Gets Vast Shipbuilding Project

$175 Millions Job Said Largest of Its Kind in Empire

From Our Own Correspondent

VANCOUVER.—The largest shipbuilding programme of its kind ever launched in the British Empire has been placed in the hands of British Columbia shipyards through the recently organized Wartime Merchant Shipping, Ltd., headed by Vancouver's aggressive H. R. MacMillan.

As this is written Hon. C. D. Howe, Minister of Munitions and Supply, states that the contracts have not been definitely signed and that the Government has made no commitments. But the west coast shipyard operators have been given assurance which they regard as sufficient to warrant them placing sub-contracts for equipment. They are proceeding with the understanding the MacMillan corporation is to take over not only the large number of vessels already scheduled, but practically as many ships as they can build between now and the end of 1943.

$175 Millions Project

As it stands, the programme calls for building 100 cargo vessels of 9,300 tons each, representing a total expenditure of about $175 millions. The contracts are to be spread among five main yards already established and in production.

Burrard Drydock, at Vancouver, is to build 42 of the ships; North Vancouver Ship Repairs, 28; Victoria Machinery Depot, Victoria, 10; Yarrows, Ltd., 10; Prince Rupert Drydock, 10.

These yards, all of which have participated in wartime orders for corvettes and minesweepers, are now engaged in making the necessary changes and carrying out the expansion called for by the enormously increased requirements for their capacity. Burrard Drydock already has definite contracts for eight of the cargo vessels of similar tonnage.

It is expected that boilers, engines, winches and other auxiliary equipment will be produced on this coast to the full limit of plant capacity. Half a dozen engineering works which in the past have had a good deal of idle capacity are reported capable of handling all the business provided some new equipment is installed, and a dozen or more smaller establishments will also be able to share.

Steel Gives the Tempo

Speed of the programme will depend a good deal on delivery of steel plates, and it is understood that most of these will come from the new Hamilton plant of Steel Co. of Canada.

Dominion Bridge Co., Hamilton Bridge Western, Vancouver Iron Works, Vancouver Engineering Works, Heaps Engine Works, Vivian Engine Works and Ross & Howard are among the larger industries in line for auxiliary contracts.

Estimates are that when the programme reaches its peak as many as 20,000 men will be employed in the shipyards and supplementary plants—more than four times the number now engaged. The programme is far in excess of anything in this line so far placed in British Columbia and represents nearly double the amount spent on the west coast's wooden and steel shipbuilding in the period following the last war, when more than 100 vessels were built.

The orders are accepted here as belated recognition of the west coast's capacity to take a bigger share in wartime industrial activity, and they were announced only a few days after completion of a far-reaching survey carried out here by a committee representing British Columbia manufacturers, the British Admiralty and the Federal Department of Munitions and Supply.

C. P. R. To Retire 4½% Note Issue

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway Co. has called for redemption on June 15 its 20-year 4½% sinking fund secured note certificates, maturing Dec. 15, 1944. At Dec. 31, 1940, there was $18.5 millions of the issue outstanding. Certificates will be redeemed at 100½ plus accrued interest to June 15. No public financing is anticipated at this time.

Payment will be made in any branch of the Bank of Montreal in Canada on presentation of certificates. Holders desiring payment prior to June 15 may present certificates and they will be redeemed at 100½, plus accrued interest to date of presentation.

Business More Active In All Economic Areas

Although business in all economic areas of Canada, in March, continued well above the level of a year ago, it showed a gain over February only in Ontario, according to The Financial Post Regional Indices. The calculation is based on preliminary figures, some factors such as the indices of employment not being available at time of writing.

Gains over last year were shown in life insurance sales and bank debits in all areas. Electric power production was larger in all areas but the Prairies. The textile and newsprint industries were more active in Quebec and the primary iron and steel industry in Ontario expanded.

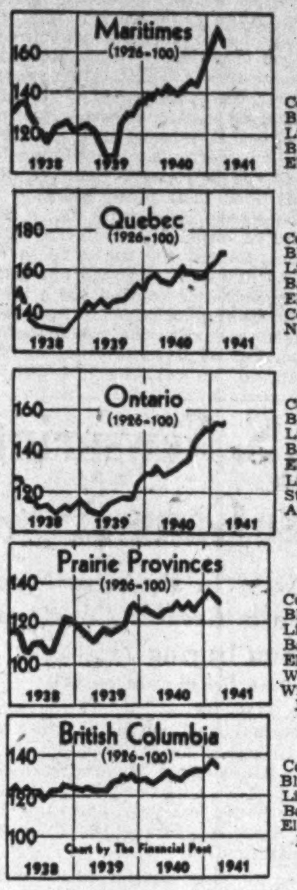

Chart by The Financial Post

Trend of Business in Economic Areas

	March, 1941	% Change from March, 1940	Feb., 1941
Maritimes:			
Constr. contr. ..... $	638,000	—53.3	3,927,000
Bldg. permits ..... $	199,000	—48.2	148,000
Life ins. sales .. $000	2,345	+17.3	2,120
Bank debits, $000,000	71.8	+18.7	59.7
Elec. pwr., kw.h. 000	67,406	+11.5	67,989
Index	166.2	+17.2	173.1
Quebec:			
Constr. contr. ..... $	4,544,000	+62.7	11,601,000
Bldg. permits ..... $	1,663,000	+18.6	1,474,000
Life ins. sales .. $000	9,302	+7.3	8,481
Bank debits, $000,000	807	+5.6	714
Elec. pwr., kw.h. 000	1,051,609	+8.7	950,269
Cotton consump., lb.	16,804,000	+4.6	16,604,000
Newsprint prod., tons	275,769	+9.7	245,607
Index	168.5	+7.2	168.6
Ontario:			
Constr. contr. .... $	6,223,000	+15.0	7,264,000
Bldg. permits .... $	4,160,000	+95.0	2,780,000
Life ins. sales .. $000	15,213	+12.6	14,431
Bank debits, $000,000	1,358	+29.0	1,218
Elec. pwr., kw.h. 000	924,401	+6.7	868,386
Livestock slaught* .	194.3	+25.0	191.6
Steel production, tons	195,481	+24.3	172,698
Auto. production, no.	26,044	+56.8	23,710
Index	155.0	+22.2	153.1
*1926 equals 100.			
Prairie Provinces:			
Constr. contr. ..... $	1,730,000	+88.9	766,000
Bldg. permits ..... $	1,072,000	+167.3	357,000
Life ins. sales .. $000	4,180	+15.9	4,012
Bank debits, $000,000	425	+13.9	375
Elec. pwr., kw.h. 000	191,476	—5.5	174,362
Wheat receipts	18,028,000	+124.0	17,589,000
Wheat prices‡	76/2	—12.4	75/2
Index	130.8	+5.3	132.6
British Columbia:			
Constr. contr. ..... $	858,000	—30.7	1,148,000
Bldg. permits ..... $	1,275,000	+1.4	908,000
Life ins. sales .. $000	2,300	+8.9	2,210
Bank debits, $000,000	176.7	+8.7	173.4
Elec. pwr., k.wh. 000	190,304	+12.3	169,419
Index	136.0	+7.1	137.1

‡Cents and eighths of a cent per bushel.

Bell Telephone Aids War Effort

Conserves Exchange and Releases Needed Materials by Using Substitutes

From Our Own Correspondent

MONTREAL.—To conserve foreign exchange and release strategic materials for war purposes, domestic products are being substituted for imported materials wherever possible by the Canadian telephone industry, and the use of vital metals such as aluminum is being restricted, the Bell Telephone Co. of Canada announces.

Generally speaking, the public will not be aware of the substitutions. Many newly-installed public telephone booths are of Canadian birch instead of oak, mahogany or walnut, woods imported from the United States.

Use of Canadian woods in new Bell Telephone buildings—such as those now under construction in Kingston, Welland, Port Colborne, and Farnham—will decrease demand for imported hardwoods, veneers, and plywoods. In its new buildings the company is also limiting the use of marble.

Foreign exchange will be saved by selecting standard types of electric fixtures manufactured in Canada whenever possible and, instead of importing bakelite parts from the United States, Canadan-made metal fixtures will be used.

To conserve fuel oil, coal heating equipment, instead of oil-fired apparatus, will be installed in the larger buildings.

Copper and other metals are being used in place of aluminum for certain items of Canadian telephone equipment while Bell research workers are trying to find substitutes for aluminum, nickel, zinc and magnesium.

Municipal Default Near End in Quebec

From Our Own Correspondent

MONTREAL.—There remain only eight municipal and school corporation financial reorganizations to be undertaken to place all Quebec municipalities on a sound footing, L. E. Potvin, chairman of the Quebec Municipal Commission, states. He expects all these defaults will be cleared up within the next few months.

EXPERIENCE • STABILITY

The many years of investment experience and the facilities of an extensive organization are placed at the service of our clients. This service may be secured at any of our branches.

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LIMITED
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Montreal Winnipeg Vancouver Victoria New York London, Eng.

Investment Securities

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.

Quebec Calls Tenders On Highway Work

MONTREAL.—Quebec has called for tenders on two new highway sections to cost approximately $1.6 million. One of the contracts covers construction of the final 29 miles of road on the new Montreal-New York highway. Another nine-mile stretch is part of the Montreal-Quebec highway on the south shore of the St. Lawrence River.

The Week in Business

Current business still gaining, with D. B. S. index for week ended April 19 slightly above previous week and 4% above corresponding week last year.

Railway carloadings up 10% in week ending April 19, compared with same week a year ago.

Railway gross traffic earnings for third week in April well above 1940 levels for both railways. Total to date up 24% for C. N. R. and 29% for C. P. R.

Iron and steel production for March and first quarter higher than in same periods last year.

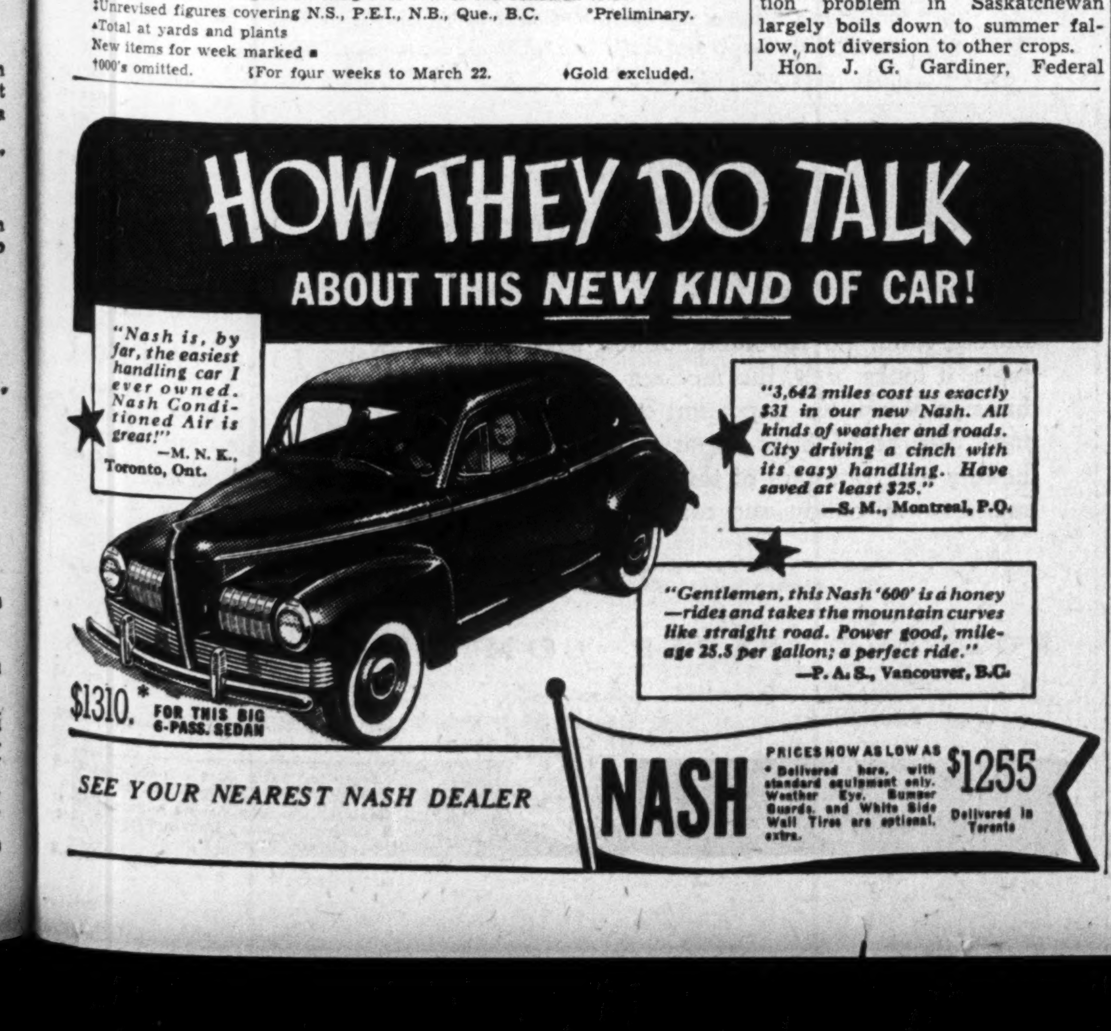
Automobiles—Financing of new and used cars shows good increases in dollar value in March over same month in 1940. Financing of new cars up 37.8% for quarter with financing of used cars up 24.4%.

Electric power output up 8% in March from year ago. Total for three months 4.8% higher.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ■.

TREND OF BUSINESS—	Apr. 19	Apr. 12	Apr. 5	Mar. 29	Apr. 20/40
Weekly index of business, D.B.S.	111.2	111.0	112.3	111.9	106.3
Commodity prices index no.	86.5	86.5	86.5	86.0	83.2
	Mar.	Feb.	Jan.	Dec.	Year Ago
The Financial Post business index	*149.1	152.5	154.6	152.9	132.9
Retail sales index no.	....	130.2	124.5	130.9	111.5
Dept. stores sales index no.	124.6	125.4	123.2	132.2	105.8
Wholesale sales index no.	....	110.6	106.2	125.0	98.9
Country store (% change pr. yr.)	....	+4.4	+2.4	+3.8	+12.5
EMPLOYMENT INDEX Nos., D.B.S.	Mar. 1	Feb. 1	Jan. 1	Dec. 1	Year Ago
All industries	135.3	135.2	134.2	139.1	113.5
Manufacturing	150.8	147.4	142.5	144.7	122.6
Living costs weekly budget	$18.16	$18.13	$18.26	$18.22	$17.75
			Jan. 1 to date		%
RAILWAYS	1941	1940	1941	1940	Change
■Carloadings (week Apr. 19)	56,321	51,132	870,474	755,661	+15.2
■C.N.R. gross (week Apr. 21) $	5,797,439	4,070,488	81,434,510	65,419,429	+24.4
■C. P.R. gross (week Apr. 21) $	3,624,000	2,598,000	56,479,000	43,712,000	+29.2
C.N.R. net revenue (Mar.) $	4,932,055	2,002,977	10,691,565	5,437,961	+96.6
■C.P.R. net revenue (Mar.) $	3,246,075	1,501,561	8,520,406	5,302,488	+60.0
IRON AND STEEL—(March)—					
■Pig iron production (tons)	102,038	91,772	296,288	283,507	+4.5
■Steel ingots and castings prod. .... (tons)	195,481	157,326	554,482	464,165	+19.4
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Feb.)	6,728	7,780	12,455	14,518	—14.2
Factory output ... (Mar.)	12,093	12,025	34,730	37,383	—7.6
Trucks and Buses:					
Domestic sales* .. (Feb.)	2,462	2,054	4,741	4,090	+15.9
Factory output ... (Mar.)	13,951	4,587	38,219	14,635	+161.5
Financing:					
■Used .... (Mar.) $	4,127,736	2,820,514	9,424,907	6,837,489	+37.8
■New .... (Mar.) $	3,352,549	2,590,162	7,945,350	6,389,014	+24.4
CONSTRUCTION—					
Contracts awarded . (Mar.) $	13,991,900	11,726,100	65,276,300	32,339,700	+102.0
Cement prod., bbls. (Jan.)	283,000	191,000	....	....	+48.1
AGRICULTURE—					
Flour prod., bbls. .. (Feb.)	1,462,187	1,246,798	2,639,556	2,513,101	+5.0
Flour exp., bbls. ... (Mar.)	559,139	715,579	1,520,714	2,000,233	—23.9
Wheat exp., bush. .. (Mar.)	11,622,719	8,628,277	25,962,393	25,584,119	+1.2
Cattle sales▲ .... (Mar.)	71,188	64,934	223,645	209,547	+6.7
Hog sales▲ .... (Mar.)	481,667	354,408	1,525,394	1,119,661	+36.2
SEA FISHERIES—‡					
Catch, cwts. .... (Mar.)	407,300	456,550	1,280,000	2,620,150	—51.1
Landed value ...... (Mar.) $	562,230	425,600	1,667,630	1,840,800	—9.4
NEWSPRINT—					
Production, tons ... (Mar.)	275,769	251,279	782,674	734,134	+6.6
Exports .... (Mar.) $	10,811,336	8,984,203	30,898,378	27,012,093	+14.3
MINING AND OILS—					
Coal prod., tons .... (Feb.)	1,480,601	1,490,355	3,226,083	3,223,036	+0.09
Coal imports, tons .. (Feb.)	508,412	457,642	1,037,982	914,717	+13.4
Gold prod., fine oz. (Mar.)	426,842	355,571	1,300,324	1,128,691	+15.2
Crude oil prod., bbl. (Jan.)	802,700	486,900	....	....	+64.9
Crude oil imp., gals.† (Feb.)	63,266	50,128	118,463	114,619	+3.4
ELECTRIC POWER OUTPUT—(March)—					
■Total monthly, 1,000 kw.h.'s	2,631,809	2,426,157	7,673,572	7,319,331	+4.8
FOREIGN TRADE—♦					
Imports .... (Feb.)	89,631,628	71,041,535	188,014,090	142,145,698	+32.2
Exports .... (Mar.)	102,692,672	83,465,140	292,178,474	246,633,048	+18.4
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Mar.)	169,810	145,451	486,643	430,646	+13.0
Shoes, prod., pr. ... (Feb.)	2,215,864	2,279,562	4,116,949	4,353,090	—5.4
Cotton consump., lb. (Mar.)	16,803,419	16,060,216	49,086,877	47,661,320	+2.9
Raw rubber imp., lb. (Feb.)	8,073,008	7,373,877	21,595,715	18,679,104	+15.6
Cigarette cons. No.† (Mar.)	692,672	533,352	1,872,762	1,668,313	+12.2
Sugar manufactured . lb.§	60,847,403	34,864,788	142,081,560	122,751,496	+15.8
FINANCE—					
Bank debits† ...... (Mar.) $	2,838,146	2,412,660	8,319,432	8,042,212	+3.4
Bond sales† .... (Mar.) $	42,789	92,115	239,386	529,037	—54.7
Life insurance sales (Mar.) $	33,700,000	30,265,000	93,526,000	95,811,000	—2.3

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▲Total at yards and plants
New items for week marked ■
†000's omitted. §For four weeks to March 22. ♦Gold excluded.



"Nash is, by far, the easiest handling car I ever owned. Nash Conditioned Air is great!" —M. N. K., Toronto, Ont.

"3,642 miles cost us exactly $31 in our new Nash. All kinds of weather and roads. City driving a cinch with its easy handling. Have saved at least $25." —S. M., Montreal, P.Q.

"Gentlemen, this Nash '600' is a honey—rides and takes the mountain curves like straight road. Power good, mileage 25.5 per gallon; a perfect ride." —P. A. S., Vancouver, B.C.

$1310.* FOR THIS BIG 6-PASS. SEDAN

SEE YOUR NEAREST NASH DEALER

PRICES NOW AS LOW AS $1255 Delivered in Toronto

* Delivered here, with standard equipment only. Weather Eye, Bumper Guards, and White Side Wall Tires are optional, extra.

Battle to Cut Acreage Underway on Prairies

From Our Own Correspondent

REGINA.—The battle for reduced wheat acreage is under way on the prairies. The "big guns" include advertising in the weekly press, radio talks and direct speeches by field men. Farmers are warned that the Government Wheat Board will only accept limited amounts of wheat next fall. One factor that must also be considered is the common sense of the average farmer coupled with his economic situation.

The seed-bed this spring is the best in many years with plenty of surplus moisture. On the other side there is a late spring which will take seeding, generally well into May. On top of this there will be some shortage of farm labor, due to war's exigencies but this will be offset by greater use of mechanized equipment.

The West is supposed to reduce its 1940 acreage of 27.7 millions of acres by something like nine million acres with Saskatchewan taking more than 50% of the reduction—close to five million acres. Scrutiny of Saskatchewan's acreage figures for the last three years shows a rise from 13.7 to 15.5 millions of acres to wheat. This is roughly a two million increase, due largely to over-optimism on the point that war would increase the price, therefore more acreage meant higher income. This has been far from what has occurred and the two million acres increase in this respect can be written off without much trouble.

It is the other three million acres, land which will have to be forced out of wheat production, that will require close attention of authorities in charge of reducing Saskatchewan's acreage and what applies to Saskatchewan also applies to Manitoba and Alberta in a lesser way. The Federal summer fallow bonusing will have some effect and the coarse grains bonus will help too.

Saskatchewan has not as high a proportion of mixed farming country as either Manitoba or Alberta. There are more exclusively wheat farmers in Saskatchewan than in the other two provinces put together. They have no cattle beyond domestic requirements and few of them have any substantial holdings of pigs or sheep that could absorb surplus wheat. So the wheat acreage reduction problem in Saskatchewan largely boils down to summer fallow, not diversion to other crops.

Hon. J. G. Gardiner, Federal Minister of Agriculture, has made radio speeches and has made personal appearances at various points in the province and on each occasion he has stressed the point that he has nothing to give the farmers this time Burdening the Federal Government with surplus wheat that will cost millions of dollars to carry, is no way to help the Government beat Hitler, he has told the farmers. What is needed is grass, feed, cattle, hogs, cheese and butter, he has said.

Farmers must signify their planting intentions by May 1 and forms are now being made available through municipal secretaries and these forms must supply information. Mr. Gardiner has informed municipal secretaries that voluntary war service committees should be formed in every municipality to study and explain the plan to farmers. The forms to be made out will cover disposition of the land during the last two crop years and from such information will be based the amount of bonus to be paid on the varied types of farming that are bonused.

Nfld. Cuts Aid From Britain

Revenue Up $1.4 Million in 1940 — Expenses Rise $2.2 Millions

Financial programme of the Newfoundland Commission of Government to ease burden on the British Exchequer resulted in a reduction of grant-in-aid in the year ended June 30, 1940, to $2 millions from $4.3 millions in the 1938-39 fiscal year.

Since Dominion status of Newfoundland was suspended seven years ago, London has advanced substantial sums to meet the actual deficit arising from the year's operations of the Island Government.

Float Voluntary Loan

Largely responsible for the decrease in 1939-40 was a $1.5 million war loan the Commission of Government sold in June, 1940.

Reflecting higher taxation, ordinary revenue increased to $12.6 millions from $11.2 millions. Customs receipts were up $966,559. Post and telegraphs rose by $48,807; assessor of taxes by $205,343; liquor control, $42,120; public works, $62,375, and natural resources, $23,456.

Government Accounts
Years Ended June 30

Revenue:	1940 $	1939 $
Finance	152,721	129,857
Customs	8,785,027	7,818,468
Post. & telegraphs ...	813,721	764,913
Assessor	1,672,461	1,467,118
Home affairs	1,557	1,718
Education	22,509	20,639
Justice	12,079	10,160
Natural resources	197,554	174,098
Rural reconstructtion.	15,292	54,605
Public works	274,786	212,410
Health & welfare	101,084	102,737
Liquor control	432,121	390,000
Colonial development.	90,103	73,750
Ordinary revenue	12,571,015	11,220,473
Grants-in-aid	1,970,662	4,337,475
Col. devel. grants	11,961	21,714
Nfld. Ry. loans	874,925	......
War loan	1,500,000	......
Repayable advances ..	......	107,113
Total revenue	16,928,563	15,686,775
Expenditure:		
Debt charges	3,588,417	3,748,047
Statutory salaries	42,333	45,000
Cons. fund exp.	3,630,750	3,793,047
Finance	747,657	915,436
Customs	255,752	256,768
Post. & telegraphs ..	770,031	784,511
Assessor of taxes	21,966	20,547
Home affairs	43,286	42,016
Education	1,453,781	1,284,111
Justice	752,169	635,239
National resources ...	1,481,942	1,069,425
Rural reconstruction .	688,888	380,614
Public works	3,050,883	2,561,414
Health & welfare	3,598,324	3,405,977
Liquor control	50,968	51,696
Col. devel. fund	18,409	88,992
Dom. office loan	902,108	......
Total supply services .	13,836,164	11,496,746
Grand total	17,466,914	15,289,793

Recapitulation

	$	$
Revenue	16,928,563	15,686,775
Expenditure	17,466,914	15,289,793
Surplus	*538,351	396,982
Add: Exch. adjusts ...	20,825	3,733
Surplus	*517,526	400,715

*Deficit.

MONTREAL TRAMWAYS COMPANY

ANNUAL REPORT FOR THE YEAR ENDED 31st DECEMBER, 1940

REPORT OF THE PRESIDENT AND DIRECTORS

For the Year Ended 31st December, 1940

TO THE SHAREHOLDERS:

Your Directors herewith submit their Annual Report for the year 1940.

Surplus brought forward 31st December, 1939			$ 899,346.17
Add:			
Profit on Sale of Investments	$ 47,548.09		
Profit on Company's Bonds red.	42,837.00		
			$ 90,385.09
			$ 989,731.26
Gross Revenues:			
Tramways	$11,698,185.09		
Autobus	2,246,769.00		
Miscellaneous	418,461.44		
		$14,363,415.53	
Less:			
Operating Expenses and Taxes ... (Including Autobus Depreciation)	$ 8,314,042.62		
Maintenance and Renewals	2,367,847.77		
		10,681,890.39	
		$ 3,681,525.14	
Interest on Bonds and Foreign Exch.	$ 2,620,922.20		
Amortization of Bond Disc. and Exp.	28,350.00		
		2,649,272.20	
			1,032,252.94
			$2,021,984.20
From Which There Was:			
Transferred to Reserve for Depreciation		$ 700,000.00	
Paid in dividends for the year		420,000.00	
			1,120,000.00
Surplus, as per Balance Sheet			$ 901,984.20

FINANCIAL

The preceding statements set forth the financial results for the year.

The number of Revenue Passengers for 1940 was as follows:

	TRAMWAYS	AUTOBUS	TROLLEY BUS	TOTAL
Revenue Passengers, 1940 ...	189,440,726	33,559,952	2,763,373	225,764,051
Revenue Passengers, 1939 ...	177,308,720	29,090,843	2,528,866	208,928,429
Increase	12,132,006	4,469,109	234,507	16,835,622
Increase per centum	6.84%	15.36%	9.27%	8.06%
Miles operated were as follows:				
1940	25,897,097	7,476,735	359,636	33,733,468
1939	25,279,912	6,875,300	354,409	32,509,621
Increase	617,185	601,435	5,227	1,223,847
Increase per centum	2.44%	8.75%	1.47%	3.76%

DIVIDEND

During the year the Company paid four quarterly dividends on the Common Stock of the Company at the rate of 6% per annum.

FARES

The average fare for the year for the whole tramway system was 6.14 cents. The average fare for American cities having a population of more than 100,000 for the year 1940, was 7.97 cents.

TAXES AND SNOW REMOVAL

The amounts paid by the Company in taxes and for snow removal during the year were as follows:

To the City of Montreal:		
Snow Removal	$ 270,115.27	
Taxes	490,293.93	
		$ 760,409.20
To other Municipalities:		
Snow Removal	$ 39,646.96	
Taxes	16,044.56	
		55,691.52
To the Provincial Government:		
Taxes, including that on Gasoline, etc.		296,539.52
		$ 1,112,640.24

The Company has paid to the City of Montreal, from 1918 to December 31st, 1940, the following amounts:

For Snow Removal	$ 4,822,400.18	
For Annual Rental	7,942,694.05	
For Taxes	8,572,642.11	
		$21,337,736.34
And expended for Maintenance of Street Pavement		3,684,587.66
		$25,022,324.00

ROLLING STOCK

Buses: During the year, ten, 32-passenger, Diesel buses, with hydraulic transmission, were added to the bus fleet, at a cost of $164,000.00.

The Company also purchased at a very satisfactory price, 39 modern street-cars which are in excellent condition and will be put into service in the early part of 1941.

TRACK RENEWALS

During the year, 4.04 miles of single track were reconstructed on short sections on Masson, Notre Dame, St. Antoine, St. Catherine and Papineau Streets.

A new turning loop was constructed at Hochelaga and Viau Streets and a turn-back curve was installed between St. James and St. Antoine street tracks, at Decourcelles Street.

TRACK ABANDONED

6.95 miles of single track were removed from Hochelaga Street between Viau and George V., and from Desormeaux, between Hochelaga and Des Grosbois.

NEW BUS ROUTES

The car service formerly operated on Hochelaga Street was replaced by two new bus routes, one on Hochelaga Street, from Viau to George V., a distance of 3½ miles, and a short cross-town route on Desormeaux, from Des Grosbois to Notre Dame Street, a distance of 1.27 miles.

PROPERTY

The upper storeys of the Cote Street Car Barns and the Service building attached thereto and the building at 945 Cote Street were demolished during the year, and the Departments operating in these buildings were removed to a new building erected at 945 Cote Street. These Departments include the despatching centre of the Bus Department, the Construction and Snow Clearing Department, and the Fare Box Maintenance Department. The building also contains Waiting Rooms for the employees of the Bus Department operating from Cote Street.

MAINTENANCE

All the property of the Company has been well maintained during the year.

INVESTIGATING COMMITTEE

The Investigating Committee referred to in the Annual Report in 1939 resigned and, in February this year, the Government appointed a new Investigating Committee. Honourable Senator Elie Beauregard, K.C., is Chairman; the Commissioners are: Honourable C. J. Arcand, Messrs. Eugene Belanger, Honore Girouard and Charles G. Wallace.

GENERAL

Many of our employees have enlisted for active service in the War. Those remaining have subscribed generously to the Funds of all the War Campaigns, such as the Canadian Red Cross, and they have also purchased a large amount of War Savings Certificates.

Your Directors again wish to place on record their appreciation of the loyal and efficient service rendered by the officers and employees of the Company during the past year.

Submitted on behalf of the Board of Directors.

R. N. WATT,
President.

GENERAL BALANCE SHEET

As of 31st December, 1940

ASSETS

Property and Equipment	$57,908,672.83	
Less Reserve for Depreciation	5,200,000.00	
		$52,708,672.83
Investment for account of Guarantee Fund		500,000.00
Securities (including Shares of Subsidiary and Associated Companies and Company's own Bonds)		2,996,551.74
Cash in Bank and on Hand		2,378,559.44
Call Loans		1,325,000.00
Accounts Receivable		65,537.28
Stores		521,378.13
Deferred Charges		61,522.80
Balance of unamortized Bond Discount and Expenses		164,622.00
NOTE:		
Balances due Company under Contract, payable only when earned:—		
On account Interest on Capital Value	$ 51,781.78	
On account Financing Allowance	716,501.77	
	$ 768,283.55	
		$60,721,844.22

LIABILITIES

Capital Stock "Common" (70,000 shares of $100.00 par value) ...				$ 7,000,000.00
*First and Refunding Mortgage 5% Gold Bonds, due July 1st, 1941:				
Authorized		$25,000,000.00		
Less:				
Bonds delivered Trustee to be held as additional security for General and Refunding Mortgage Bonds	$ 2,280,000.00			
Unissued Bonds	1,389,000.00			
		3,649,000.00		
			$21,351,000.00	
*General and Refunding Mortgage Sinking Fund Gold Bonds, due 1955: (Authorized $100,000,000.00)				
Series "A," 5%		$17,826,500.00		
Series "B," 5%		2,600,000.00		
Series "C," 4½%		2,500,000.00		
Series "D," 5%		5,000,000.00		
		$27,926,500.00		
Less: Redeemed through Sinking Fund		1,672,500.00		
			26,254,000.00	
				47,605,000.00
Series "E," 5% Bonds		$ 2,000,000.00		
Less: Redeemed through Sinking Fund		238,800.00		
In Treasury		$ 1,761,200.00		
Accounts and Wages Payable				631,817.80
Accrued Bond Interest (Payable in U. S. Dollars and Sterling)				325,484.25
Employees' Security Deposits				25,465.94
Dividend payable January 15th, 1941				105,000.00
Suspense Account (including reserve for taxes and foreign exchange)				787,366.07
Reserves in accordance with Provisions of Contract:—				
Maintenance and Renewals Reserve			$ 350,573.37	
Contingent Reserve			300,000.00	
Depreciation Reserve, Autobus			876,075.50	
				1,526,648.87
Reserves for Company's Account:—				
Reserve for Financing			$ 1,313,077.20	
Reserve for Redemption of Unpresented Tickets			500,000.00	
				1,813,077.20
Surplus				901,984.20
				$60,721,844.22

*These bonds are also payable at the holder's option in Sterling or U. S. Funds.

Verified in accordance with our Report of this date.

SHARP, MILNE & CO., C.A.,
Auditors.

Montreal, February 21st, 1941.

Approved on behalf of the Directors:
S. GODIN, JR.
GEO. H. MONTGOMERY } Directors.

Certified Correct:
A. A. BOIRE,
Chief Accountant.

Pulp & Paper

Publishers' Goodwill Ensures Stability

Improved Relations Big Asset To Canada's Paper Producers

By JOHN LANGDON,
Eastern Editor, The Financial Post

MONTREAL. — Establishment of friendly relations between Canadian newsprint manufacturers and United States publishers stands out as one of the notable achievements of the past two years.

Operations have expanded for the manufacturers. Earning power has reached the highest level in some years. Finances have been greatly strengthened.

These are the tangible improvements which have taken place in the newsprint industry since the beginning of 1939—betterments which can be measured in dollars and cents.

Unrepresented in the balance sheet or income account, but of vital importance has been marked improvement in producer-consumer relations.

Show More Wisdom

In years past relations between Canadian manufacturers and the American publishers have been particularly acrimonious at times. The wartime policy laid down by the Canadian manufacturers has ushered in a new era of understanding. There is a realization now that neither industry can profit at the expense of the other.

Goodwill is an intangible asset. But there have been two developments of late to indicate the newer relations existing between the Canadian industry and American publishers.

An Unprecedented Move

Last week the American Newspaper Publishers Association held its annual convention in New York. Charles Vining, president of the Newsprint Association of Canada, was not only asked to be present but invited to address the delegates.

This was an unprecedented action. It was the first occasion an outside person had been invited to attend a session of the publishers' convention—one of the most exclusive affairs of its type held in the U. S.

Inland Press' Appreciation

There is other evidence, just as convincing.

Last February the Inland Daily Press Association, representing over 300 daily newspapers published in 19 states and two Canadian provinces, passed a resolution unanimously setting out appreciation of the stand taken by the manufacturers.

E. P. Adler, chairman of the Inland Newsprint Committee and publisher of the Davenport (Iowa) Times, sponsored a resolution of "appreciation and thanks to the print paper manufacturers of the United States and Canada for their farseeing judgment in holding print paper prices at the level where they were before the war" and urged them to continue that practice.

Stabilize Price Structure

Shortly after outbreak of war Canadian newsprint manufacturers set down a policy to which they have rigidly adhered. They agreed not to take advantage of war conditions to boost the price of their product. The basic price of $50 a ton was reaffirmed and has since been extended to the end of June this year.

Thus for a period of 24 months the Canadian manufacturers have bound themselves to sell newsprint paper at the prewar price. As a matter of fact the price of Canadian newsprint has been unchanged since the beginning of 1938.

In that period costs have not only advanced, but the demand for newsprint as well. Canada remains the major and, in many cases, the only source of supply of newsprint paper for those countries outside of Europe.

Had oldtime policies been followed, the price of newsprint paper would have been increased to as much as the market would bear.

Depend on Canada

The reaction to this policy in the United States, where over 75 per cent of the Canadian newsprint output is marketed, has been to create goodwill to a degree never before existing with the publishers. American publishers today rely on Canadian producers for nearly 70% of their paper supply. Last year some 10 billion copies of American newspapers were printed on newsprint from Canada's forests and mills.

A New Conception

The changed state of affairs is well expressed by Charles Vining, who says:

> "In providing the raw material of a free American press, the Canadian newsprint industry has a partnership in the American way of living, in American business and home life, in the preservation of our similar political institutions and of our common liberties of conduct, thought and speech. To Canadian producers the maintenance of dependable continuous supply thus becomes a series responsibility."

A. N. P. A. Co-operates

Reflecting the closer understanding between producer and consumer is the action taken by the American Newspaper Publishers Association to work toward a common goal with the newsprint manufacturers.

In years past it has been the buying habit of the American publisher to take delivery of his newsprint as required. This was possible because of the closeness of the mills and the unexcelled transportation facilities between the two countries.

Equalize Deliveries

The war created unusual problems both as to deliveries and transportation, especially for water-borne shipments. In order to avoid "bottlenecks" the A. N. P. A. co-operated closely with the manufacturers in urging its member firms to do their buying in equal monthly amounts.

Considerable success has attended this effort. It has been an important factor in maintaining orderly conditions of production and delivery; without it, the difficulties of Canadian mills in meeting sudden disturbances of overseas supply and demand would be seriously aggravated.

Urge Sane Policy

At the annual meeting last week the A. N. P. A. newsprint committee again urged on members to maintain this policy of equal monthly buying.

"It is equally important during the coming year," the committee said, "that that policy be pursued so as to continue to avoid shortage. While there is ample producing capacity today, our national defense programme, our aid to Britain policies, and the strain on Canadian resources because of her war effort, are going to keep transportation facilities of both countries busy."

The committee added that next to taking requirements in an orderly manner, the publishers and newsprint producers typifies the changed attitude between the two groups.

Newsprint Takes Rank

Further indication of the closer relations between the two countries and the two groups immediately concerned is the assurance given by the U. S. Defense Advisory Commission and the Board of Transport Commissioners for Canada that, should conditions necessitate, priority in transportation will be given newsprint as an essential commodity.

The policy followed by the Canadian newsprint manufacturers to date not only has created among American publishers goodwill of an estimable value, but provides insurance against the inevitable postwar readjustments.

Canadian producers might have made more money in the last couple of years by following a day to day policy. However, their farsightedness in following a policy of co-operation and moderation with the American publisher should aid them to return to peacetime conditions without the serious repercussions such as followed upon the last war.

Great Lakes Outlook Good

Expect Sales and Profits to Hold Last Year's Levels

Present indications indicate volume of newsprint sold by Great Lakes Paper Co. in 1941 will at least equal those of 1940, according to W. Earl Rowe, president. Manufacturing costs per ton will be higher because of increased cost of materials and supplies and higher transportation rates, he states.

Demand for unbleached sulphite pulp has increased and it is anticipated the company will sell full production this year in a profitable market.

The result is that Mr. Rowe expects 1941 profits to be as good as last year.

Great Lakes Paper has recently negotiated a contract with its employees as to wages for the year ending May 31, 1942. No increase in wage rate has been given, but a system of cost of living bonus has been adopted.

Spending $225,000

Capital expenditures of approximately $150,000 for improvements at the mill and of about $75,000 for construction of a dam and other improvements required for opening up an operation of the Black Sturgeon timber limit have been authorized. Last year capital expenditures were $207,370. Of this amount $171,108 was on the mill; $36,262 on road extensions and timber area improvements.

Great Lakes Paper Co. received 35,613 shares of common stock in the newly reorganized Minnesota & Ontario Paper Co. in settlement of its claim against the estate.

L. B. Rock takes the place of W. W. Boyer on the board of directors. Mr. Rock is head of the Journal Herald Publishing Co., Dayton, Ohio.

Doubt If Newsprint Supply Enough For 4-page Papers

From Our Own Correspondent

MONTREAL.—Lord Rothermere, on behalf of the Newsprint Supply Co., has advised all British publishers with stocks of newsprint in vulnerable areas to disperse them in safer areas and in as many separate locations as possible to minimize the risk of loss through enemy bombing and in view of the scarcity of supplies. In particular, he emphasized, no time should be lost in clearing newsprint from ports.

Effective April 13 newsprint consumption by United Kingdom publishers was reduced from 6,700 tons to 5,000 tons weekly. This places prospective annual consumption at 260,000 tons, compared with a prewar figure of around 900,000 tons.

Even at the reduced consumption, it is unlikely newsprint supplies from domestic and overseas sources will be sufficient to maintain four page papers, Lord Rothermere says, without drawing on the already diminished stocks. These stocks under present circumstances may be regarded as irreplaceable. Continuity of the newspaper industry depends upon their preservation.

The Newsprint Supply Co., a co-operative organization of the publishers, formed for the purpose of buying newsprint through one central agency, has worked out a plan for the storage of paper in the open so as to minimize the risk of damage or loss of paper through enemy action.

Canada Supplies More U. S. Paper

From Our Own Correspondent

MONTREAL.—Canada supplied 67% of United States newsprint requirements in the first quarter of 1941, as against 65% in the like period a year ago. American mills contributed 28% this year, or 1% less than a year ago. Newfoundland's mills increased their proportion from 4% to 5%.

Imports from Europe in the first quarter of 1941 were negligible, whereas in the same period last year they amounted to 2% of the total supply.

Newsprint Heads Among Exports

Over $30 Millions Shipped in First Quarter of 1941

From Our Own Correspondent

MONTREAL.—Newsprint remained Canada's leading export in the first quarter of 1941. During the three months shipments were valued at $30.9 millions, an increase of 12.4% over the like period a year ago. Automobiles and parts ranked second in importance, followed by wheat.

While newsprint has been the leader, the forest products group as a whole has shown decided strength. The aggregate of newsprint, woodpulp, planks and boards—$62.8 millions, or 21% of total exports—was nearly 28% over the 1940 period.

Standing of Leaders

The relative standing of leading exports follows:

(Three Months Ended March 31)

	1941	1940	%
	—000's of $—		Ch'ge
Wheat	21,624	23,166	—6
Wheat flour	5,255	7,612	—31
Fish	8,636	7,565	+14
Furs	4,982	5,314	—6
Meats	17,580	16,528	+6
Planks & boards	14,241	10,835	+31
Wood pulp	17,679	11,267	+56
Newsprint	30,898	27,012	+14
Autos. & parts	24,312	6,840	+255

Company Reports

Crow's Nest Pass Coal

Crow's Nest Pass Coal Co. reports net profit for 1940 equivalent to $4.94 a share compared with $2.64 a share for 1939. The company distributed $3 a share again last year. Net profits for 1940 covered this distribution where previous payments had been made partly from depletion reserves. The auditors report that adequacy of provision for excess profits tax is subject to a satisfactory ruling from the Board of Referees on the company's application for a standard profit rating.

Coal mined last year amounted to 813,610 tons against 600,551 tons in 1939. This was the highest output since 1928. Coke production last year totalled 66,961 tons compared with 57,350 tons in 1939. The company reports capital expenditures of $53,481.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Net oper. earnings	692,432	404,632
Add other income:		
Int. on securities	32,246	34,369
Bank int., exch., etc.	1,784	949
Recov. on assets w/o	860	1,989
Profit on sale secs.	180	......
Sundry income	16,605	23,581
Total earnings	744,107	465,520
Less: Executive sals.	34,839	33,800
Legal costs	2,400	2,798
Directors' fees	2,500	2,500
Depreciation	134,085	230,847
Depletion	81,361	60,055
Investments w/d	34,621	35,845
Accts rec. w/o	304	......
Inc. and E. P. taxes	146,834	35,543
Net profit	307,163	164,132
Less: Prev. debit bal.	1,176,500	1,154,278
Distrib. to shldrs.	186,354	186,354
Deficit forward	1,055,691	1,340,632
Earnings per share:	$4.94	$2.64
Paid	3.00	3.00
Shares o/s, $100 par	62,126⅔	62,126⅔

Working Capital

	$	$
Current assets	1,831,573	1,423,743
Current liabilities	193,406	83,670
Working capital	1,638,167	1,340,073

Nova Scotia Light

Nova Scotia Light and Power Co. reports consolidated gross earnings of $3.3 millions in 1940, an increase of $534,643 over 1939. Net profit of $389,921 compared with $365,914 the year before. After higher provision for depreciation and taxes net was equal to $7.07 on the common as against $6.56 in 1939.

Balance sheet at Dec. 31, 1940, shows accounts receivable of $468,633, compared with $230,936 at the end of the preceding year. Bank loan of $100,000 was eliminated.

J. C. MacKeen, president, states in the annual report that to supply Halifax with power during the war emergency, the company brought into operation the Hollow Bridge Station on the Black River with a capacity of 7,500 h.p. A second plant on the same river is under construction.

A new Diesel-driven generator was installed at Yarmouth.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross earnings	3,271,860	2,737,217
Add: Misc. inc.	......	190
	3,271,860	2,737,407
Less: Oper. exps.	1,479,599	1,307,778
Taxes	517,173	353,431
Depreciation	541,000	367,200
Interest	301,169	300,179
Bond disct.	42,598	42,905
Net profit	389,921	365,914
Less: Pref. divds.	145,800	139,350
Common divds.	207,138	207,138
Surplus for year	36,982	19,426
Add: Prev. surplus	452,738	420,517
Adjustments	......	12,795
Less: Adjusts.	14,408	......
Surplus forward	475,312	452,738

Working Capital

	$	$
Current assets	743,362	521,529
Current liabilities	929,630	756,082
Excess of curr. liabs.	186,268	234,553

Canada Dry Ginger Ale

Canada Dry Ginger Ale net income for the three months ended March 31, 1941, was equivalent to 38 cents a share on the common, compared with 17 cents a share in the same period last year. For the six months ended March 31, net income of $1.17 a share compares with 70 cents a year earlier.

Net income of the company's wholly-owned Canadian subsidiary, accounts of which are included in the summary, amounted to approximately 8.5% and 7.7% of the consolidated net income for the six months ended March 31, 1941 and 1940 respectively. This is converted into U. S. dollars at the official exchange rate.

Depreciation charged for the latest six months period was $220,085 which compares with $184,911 a year earlier.

Consol. Net Income Account
Three Months Ended Mar. 31

	1941	1940
	$	$
Net sales	4,403,638	3,502,316
Less: Cost of goods, exp.	4,081,416	3,376,900
Net oper. income	322,222	125,416
Add: Income credits	925	2,075
Less: Deductions	9,660	1,454
Income tax prov.	77,540	25,912
Net income*	235,948	100,125
*Before excess profits tax.		
Earned per share:	$0.38	$0.17

Six Months Ended Mar. 31

	1941	1940
	$	$
Net sales	9,945,330	8,456,995
Less: Cost, admin., etc.	8,977,991	7,967,765
Net oper. inc.	967,339	489,230
Add: Other inc.	4,393	43,906
Gross income	971,732	533,136
Less: Inc. deduct.	16,544	3,261
Est. inc. taxes	*238,341	102,177
Net inc. for period	*716,847	427,698
Earned per share:	$1.17	$0.70

*No provision made for possible Federal excess profits tax.

U. S. Newsprint Use Gains 2.9%

Gain in Business Forecasts Greater Consumption During This Year

From Our Own Correspondent

MONTREAL. — Total apparent consumption of newsprint paper in the United States in March amounted to 334,435 tons. This represented a gain of 9,378 tons or 2.9% over the same month last year, according to the American Newspaper Publishers Association.

For the first quarter of the current year U. S. consumption of newsprint totalled 915,497 tons. In the same period a year ago, consumption was 887,260 tons, or 3.2% under this year's figure.

So far apparent consumption has been running somewhat less than had been estimated earlier in the year. Then it was figured consumption would be around 5% more than in 1940.

While business activity in the States has risen steadily and is now well above the 1940 level, the effect on newspaper consumption has not been especially noticeable. Newspaper advertising, which generally controls the size of newspapers and in turn largely governs use of newsprint paper, only increased 2% to the end of March compared with the same period in 1940.

Below is shown the trend of apparent consumption of newsprint in the States for the first three months of this year, with comparative figures for 1940.

U. S. Newsprint Consumption

	1941	1940
	—tons—	
January	297,282	282,649
February	283,780	279,554
March	334,435	325,057
Total	915,497	887,260

Modern Containers Works Two Shifts

Operations of Modern Containers Ltd., Toronto, have continued the gain over 1940 reported in the first six weeks of the year. Operations for the first quarter of 1941 were well above the corresponding period of 1940 and no let-up is in sight, according to officials. Most of the plant is working two shifts, and the plastic department is on a 24-hour basis. The plastic division was set up in Ottawa in 1940 to manufacture plastic tube and bottle tops, other small molded articles.

Regular dividends of $1.37½ on the 5½% preferred, 20 cents plus 10 cents extra on the common have been declared payable July 2, 1941, to shareholders of record June 20. Earnings for 1940 were $18.11 on the preferred, $1.51 on the common.

Howard Smith Paper Dividend Considered

From Our Own Correspondent

MONTREAL. — Howard Smith Paper Mills will give serious consideration to payment of a dividend on the common stock in the not too distant future, Harold Crabtree, president, told shareholders at the annual meeting. Mr. Crabtree pointed out maintenance of the company's liquid position is necessary in view of heavier inventories and increased taxation.

Shareholders were told that there is no doubt that the company will be able to show results for the current year comparable with those in 1940. Earnings in the first quarter were on a parity with those of the like period of 1940.

Stocks of Newsprint Above 1940 Level

From Our Own Correspondent

MONTREAL. — Stocks of newsprint in North America at the end of March totalled 780,970 tons, a decrease of about 1,200 tons from the previous month but 95,000 tons more than a year ago.

A breakdown of the returns as at the end of last month, with comparative figures for 1940, follows:

Newsprint Stocks
(As at March 31)

	1941	1940
	—tons—	
Canadian mills	186,182	212,737
U. S. mills	18,790	15,815
Nfld. mills	74,467	80,904
All mills	279,467	309,456
U. S. publishers	501,531	375,545
Total stocks	780,970	685,001

Bonus Wage to be Paid By Consolidated Paper

From Our Own Correspondent

MONTREAL. — Effective May 1 Consolidated Paper Corp. will pay its hourly paid workers a cost-of-living bonus of $1.25 a week. The bonus will mean an additional outlay of $200,000 yearly to employees at Three Rivers, Cap de la Madeleine, Shawinigan Falls, Grand'Mere and Port Alfred.

Mexico Buys Paper Here

Expected to Purchase More Than 20,000 Tons This Year

From Our Own Correspondent

MONTREAL.—Mexican purchases of newsprint paper this year will probably amount to 30,000 tons, according to a survey of A. B. Muddiman, Canadian Trade Commissioner in Mexico City. Some 7,500 tons have already been purchased.

One order was given to Finland for 2,000 metric tons at an approximate price of $61 c.i.f., Vera Cruz, and 500 metric tons of rotogravure at $77.50 c.i.f., Vera Cruz. Shipment is to be made in April and May from Petsamo for delivery in Vera Cruz in June. The balance, or 5,000 tons, was placed in Canada.

An additional quantity of more than 22,000 tons will be ordered during the coming year. In this connection four prominent Mexican newspaper representatives are to visit Canada and Newfoundland soon.

Reorganize Pipsa

The Mexican national organization called Pipsa, which has sole right to import of foreign newsprint into Mexico, has been reorganized. In accordance with this reorganization, which took place on Feb. 13, the leading Mexican newspaper companies directly affected by the administration of Pipsa were given chief control.

At the first meeting of the council it was decided to reduce the price of paper in reels to the newsprint consumers and to start a reserve fund with the object of later establishing a newsprint factory in Mexico. Thus the reorganization changed Pipsa from a revenue producing body for the Government into an organization which has lowered the price of newsprint to the newspapers and at the same time has become interested in the creation of a local newsprint industry under Government sponsorship.

U. S. Publishers Cut Stocks of Newsprint

From Our Own Correspondent

MONTREAL.—Stocks of newsprint paper on hand with U. S. publishers sharply contracted in March. Member firms of American Newspaper Publishers Association reported 297,168 tons, equivalent to 36 days' supply. This is the lowest figure reported since May, 1940, when the supply amounted to 35 days and was six days supply less than reported at the end of Feb., 1941.

U. S. Paper Production Holds at High Level

From Our Own Correspondent

MONTREAL.—Rate of production in the American paper industry, according to the American Paper & Pulp Association index of paper mill activity, was 94.5% in the week ended April 19. This compares with 94.9% in the week ended April 12 and 86.5% in the week ended April 20, 1940.

Production of paperboard industry was at 78% of capacity in the week ended April 19, against 85% in the preceding week.

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Pulp Exports Score Advance

Shipments to States For February Up 40% Over Last Year

From Our Own Correspondent

MONTREAL.—United States was wholly dependent upon Canada for its pulp imports during February. According to the U. S. Department of Commerce imports from the Dominion totalled 69,821 tons to the value of $4,148,249.

Compared with February, 1940, returns this year are considerably heavier. Last year the U. S. purchased from Canada 58,234 tons of pulp worth $2,907,608.

Details of the imports of pulp from Canada, together with values, for February last follow:

	Tons	Value
Groundwood:		
Unbleached	9,400	$282,491
Screenings	95	1,193
Sulphite:		
Unbleached	17,100	917,986
Screenings	227	3,413
Rayon	7,578	702,653
Bleached	20,649	1,290,811
Sulphate:		
Unbleached	8,001	477,883
Bleached	5,658	444,359
Soda	1,113	67,260
Total	69,821	4,148,249

Trade to U. S. Heavy

From Our Own Correspondent

MONTREAL. — Movement of Canadian pulpwood to the United States continues heavier than a year ago. During February, Canada exported to the States 112,256 cords of pulpwood valued at $685,273. This contrasts with a movement of 69,168 cords, worth $479,179, in the same month last year.

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Bus and Truck Transport War Service Programme

Canada's trucking industry is playing a major part in keeping Canadian industry on the move. The distribution of food, clothing, munitions, raw materials, etc., are, to a great extent, transported and distributed by truck. Bus and Truck Transport's service and maintenance articles are invaluable to fleet owners in helping them keep their equipment in good running order.

Many mechanics and experienced operators have joined the active service forces in specialized capacities. To the new men both executive and operating who have taken their places, Bus and Truck Transport is of great value, for in it they can find the information that will make them better operators, better mechanics and better executives.

Bus and Truck Transport is read by transport men in many army service depots throughout Canada. These men and the services will profit by the educational and informative material published in Bus and Truck Transport.

With the tremendous increased activity in Canada's commercial car industry due to the war effort, very large purchases are being made. Bus and Truck Transport acts as a buyers' guide, helping fleet owners to purchase the various types of equipment.

Most of the above applies also to the bus industry. Employment is on the increase, more people are in transit, many of them engaged in essential industries. Some bus companies are operating special services for workers in wartime industries, providing facilities for large group movement of troops and others engaged in national activity. It is important to Canada's war effort that our bus system be efficient in every department. Bus and Truck Transport's complete editorial service can help to do just that.

The MacLean Publishing Company, Limited
Toronto Montreal Winnipeg New York Chicago London, Eng.
28 PUBLICATIONS
GEARED TO "ALL OUT" WAR EFFORT

Company Reports

Southern Kraft

Southern Kraft Corp., subsidiary of International Paper Co., reports gross income in 1940 of $73.8 millions and net profits, after providing $6 millions for income and excess profits taxes, of $11.9 millions. This contrasts with $49.7 millions and $2.5 millions, respectively, in 1939, when tax provision was only $531,000.

Balance sheet reflects improvement in earnings. Funded debt has been reduced from $23.2 millions to $17.4 millions, while amount due International Paper Co. has been cut from $25.6 millions to $18.2 millions. Cash shows an increase from $720,562 to $4.2 millions. Finished products increased from $844,880 to $2.4 millions and operating supplies from $3.2 millions to nearly $3.7 millions.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Sales, etc.	73,866,668	49,764,652
Cost & expenses	51,392,562	41,900,107
Net revenue	22,474,106	7,864,545
Less: Debt interest	558,247	614,941
I. P. interest	1,952,884	2,138,288
Debt discount	69,215	113,729
Depreciation	1,713,042	1,725,459
Depletion	198,386	202,030
Income taxes	6,021,991	531,096
Net profit	11,942,342	2,539,002
Previous surplus	4,743,525	2,120,399
Add: Profit on bonds	2,249	84,124
Surplus forward	16,688,116	4,743,525

Working Capital

	$	$
Current assets	18,086,144	12,275,961
Current liabilities	13,249,738	5,980,104
Working capital	4,836,406	6,295,857

Allens St. Catharines

Statement of Allens St. Catharines Theatre Ltd. for the 52-week period ended Dec. 28, 1940, shows increased working capital, lower net profits. Rise in working capital amounted to nearly $2,300, while earnings on the preferred 7% stock dropped to $4.28 per share from $4.92 in 1939. Dividends of $4.50 per share were paid in 1940, against $6 in 1939, leaving preference dividends fully paid up to July 1, 1933.

Income and Deficit Account
52 Weeks Period Ended

	Dec. 28, 1940	Dec. 30, 1939
	$	$
Net income	7,139	7,251
Less: Depreciation	2,412	2,011
Income taxes	1,087	1,048
Net profit	3,640	4,192
Less: Pref. divds.	3,825	5,100
Deficit for year	185	908
Previous deficit	20,601	19,693
	20,786	20,601
Earned per Share:		
Preferred: Earned	$4.28	$4.92
Paid	4.50	6.00

Working Capital

	$	$
Current assets	7,498	5,160
Current liabilities	1,176	1,106
Working capital	6,322	4,054

Allens London Theatre

Working capital of Allens London Theatre Ltd. showed an improvement of over $2,400 in the 52-week period ending Dec. 28, 1940. Operating and net profits both declined as compared with 1939, and earnings on the 8% preferred stock fell from $3.15 per share to $2.93. Dividends of 5% were paid in 1940 and 1939. Dividend requirements on the preferred have been met in full to Mar. 31, 1931.

Income and Deficit Account
52 Weeks Period Ended

	Dec. 28, 1940	Dec. 30, 1939
	$	$
Net income	11,251	11,302
Less: Depreciation	6,514	6,153
W/o renovations	610	611
Income taxes	756	908
Net profit	3,371	3,630
Less: Pref. divds.	5,750	5,750
Deficit for year	2,379	2,120
Previous deficit	51,359	49,239
Deficit forward	53,738	51,359
Earned per Share:		
Preferred: Earned	$2.93	$3.15
Paid	5.00	5.00

Working Capital

	$	$
Current assets	13,808	11,485
Current liabilities	3,585	3,713
Working capital	10,223	7,772

Gurney Foundry Co.

Gurney Foundry Co. reports improved operations in 1940. After providing for depreciation at approximately triple the 1939 rate and heavier taxes, the company was able to show a net profit of $2,184 compared with $1,678 for 1939. Depreciation rate used last year is said to be more in line with present requirements.

Bond interest at the full 5½% rate was earned last year and will be payable in May and November this year.

Larger sales of regular products is responsible for improved results, said G. B. Beatty, vice-president. He states the company has obtained its share of orders for heating and cooking equipment for military and training centres.

Consol. Income and Surplus Account
Years Ended Dec 31

	1940	1939
	$	$
Gross profit	535,382	389,193
Less: Selling expenses	182,674	162,844
Warehouse expenses	40,581	36,407
Admin. expenses	76,785	70,738
Depreciation	160,904	56,748
Bad debt prov.	26,778	22,320
Net earnings*	47,661	40,136
Add: Other income	18,479	17,143
Net income	66,140	57,279
Less: Bank int., etc.	12,285	11,801
Bond int. & exp.	49,036	42,900
Income & E. P. tax.	2,631	900
Minority int.	4	......
Net profit	2,184	1,678
Less: Prev. deficit	155,438	157,080
Adjustments	......	37
Deficit forward	153,254	155,438
*After deducting:		
Exec. salaries	49,239	46,321
Legal fees	1,354	1,227

Working Capital

	$	$
Current assets	870,799	656,374
Current liabilities	266,877	196,558
Working capital	603,922	459,816

Canadian Utilities

Satisfactory progress for Canadian Utilities Ltd., subsidiary of Dominion Gas & Electric Co. was reported by president H. R. Milner, in the annual report for 1940. Sales totalled 24.6 millions against 22.7 millions in 1939 in kw. hours. Customers increased to 17,976 at the end of 1940 from 17,433 at the beginning of the year.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Power sales	1,303,265	1,236,360
Less: Oper. exps.	717,042	688,351
Add: Misc. income	5,262	2,373
Net earnings	591,485	550,382
Less: Depreciation	130,327	123,636
Int. on mun. debts	3,197	4,216
Bond interest	130,166	129,304
Other interest	3,865	3,865
Exchange premium†	16,814	13,078
Bond disc. w/o	3,628	3,148
Loss on invests.	187	......
Income taxes	114,988	61,589
Net profit	188,313	211,546
Less: Preferred divs.	70,000	66,700
Common divs.	116,288	138,030
Surplus for year	2,025	6,816
Add: Prev. surplus	42,472	34,942
Tsf. fr. cap surplus	......	131
Tax refund	......	1,950
Less: Adj. pr. yr inc. tax	2,727	1,367
Surplus forward	41,770	42,472

†Including state taxes on bond interest.

Times All Interest Earned:

Before deprec.	3.84	3.66
After deprec.	2.99	2.84

Working Capital

Current assets	492,077	413,015
Current liabilities	274,276	188,394
Working capital†	217,801	224,621

†Net working capital, as defined in the trust deed securing first mortgage bonds, was reported at $262,126 at Dec. 31, 1940; $289,980 at Dec. 31, 1939.

Jam. Public Service

Jamaica Public Service Ltd. financial statement for 1940 shows operating revenues of $1,096,830, or 9.8% more than in 1939 and a new high record. Net revenues of $220,664 were $1.13 a share on the common stock. This contrasts were $203,677 or $1 a share the year before.

Balance sheet shows working capital well maintained at $498,065. Investment in property increased from $4.6 millions to nearly $4.8 millions. Cash more than doubled at $254,392. Special deposits of $204,380 were eliminated. This was reflected in part by redemption of $307,466 in notes. A new item listed is $163,374 of Jamaica Public Service Co. class D preferred stock. The debenture debt was reduced from $1,924,323 to $1,895,345.

Comparative figures of the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Oper. revenues	1,096,830	998,733
Less: Oper. expenses	688,550	595,798
Net oper. revenue	408,280	402,935
Add: Other income	6,243	*4,275
Total revenue	414,523	398,659
Less: Ret. res. accr.	90,000	90,000
Interest, etc.	103,858	104,981
Net profit	220,664	203,677
Less: Pfd. dividends	67,798	56,690
Common divds.	91,800	90,000
Surplus for year	61,066	56,987
Add: Prev. surplus	†388,728	†361,115
Surplus forward	449,794	418,102

†As adjusted. *Debit.

Working Capital

	1940	1939
	$	$
Current assets	731,973	742,314
Current liabilities	243,908	190,732
Working capital	498,065	551,582

Northwest. Utilities

In presenting the annual report of Northwestern Utilities Ltd., subsidiary of Dominion Gas & Electric Co., for 1940, H. R. Milner, president, stated that following rate reductions the company obtained new business more rapidly than was anticipated. Fourteen miles of new pipe line were laid eastward from Viking and the reserve field at Kinsella was opened. Gas sales in 1940 totalled 3.9 billion cubic feet, against 3.5 billions in 1939. Customers numbered 12,983 at Dec. 31, 1940, against 12,419 a year earlier.

Property extensions in 1939 and 1940 involved expenditure of $539,646, provided out of liquid assets and bank loan of $150,000.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gas sales	1,217,405	1,156,987
Less: Discounts	55,173	51,932
Cost of production	440,148	393,081
Directors' fees	530	570
Exec. salaries	20,517	17,410
Legal fees	5,942	5,738
Bad deb's	2,800	2,200
Taxes: Municipal	47,174	47,190
Edmonton fchse.	56,014	53,283
Provincial	27,506	25,106
Oper. income	561,601	560,477
Add: Int. & other inc.	6,621	2,059
Net earnings	568,222	562,536
Less: Amort. res.	136,870	130,097
Bond int.	105,458	118,399
Other interest	4,329	3,924
Bond discount, etc.	12,235	14,280
Loss on mdse.	......	994
W/o leases, wells, etc.	10,000	10,000
Dom. income tax	82,480	40,694
Net profit	216,850	244,148
Less: Pfd. divs.	60,756	60,756
Common divs.	144,000	150,000
Surplus for year	12,094	33,392
Add: Prev. surplus	512,048	577,332
Less: Adjust. prev. yrs.	314	85
Bal. prem. bds. red.	......	98,591
Surplus forward	523,828	512,048
Times All Interest Earned:		
Before amortization.	5.18	4.60
After amortization	3.93	3.54
Earnings per Share:		
6% pref.: Earned	$21.42	$24.11
Paid	6.00	6.00

Working Capital

Current assets	322,186	378,452
Current liabilities	325,216	254,950
Working capital†	*3,030	123,502

*Excess of current liabilities over current assets.

†Net currents assets, as defined by trust deed securing first mortgage series A bonds, amounted to $170,699 at Dec. 31, 1940; $284,947 at Dec. 31, 1939.

Paramount Oshawa

Following redemption of the former 7% preferred stock and issue of new 5% preferred in 1939, earnings of Paramount Oshawa Theatres Ltd. in 1940 were more than five times preferred dividend requirements. Surplus available for common in the 52-week period ended Dec. 28, 1940 amounted to $1.04 per share compared with $1.52 in 1939. Dividends on common continued at $1 per share.

Income and Surplus Account
52 Weeks Period Ended

	Dec. 28, 1940	Dec. 30, 1939
	$	$
Net income	27,600	30,271
Less: Depreciation	7,796	8,052
Income taxes	6,918	4,478
Net profit	12,886	17,741
Less: 5% pref. divds.	2,500	1,250
7% pref. divds.	......	4,375
Common divds.	10,000	10,000
Surplus for year	386	2,116
Add: Prev. surplus	114,133	111,954
Tax adjustment	452	......
Prof. re bond sale	63	1,436
Less: Prem. red. pfd. w/o	2,500	1,250
Prior yr. depr'n.	8,647	......
Reorg. exp.	......	123
Surplus forward	103,887	114,133
Earnings per Share:		
5% Pfd.: Earned	$23.73	$35.48
Paid	5.00	2.50
Common: Earned	1.04	1.52
Paid	1.00	1.00

Old 7%, 1,250 shares, redeemed at 110 June 30, 1939, replaced by 500 new 5% pfd. shares. Earnings above calculated as if new pfd. outstanding throughout 1939.

Working Capital

	1940	1939
	$	$
Current assets	75,845	66,400
Current liabilities	7,813	6,330
Working capital	68,032	60,070

Inter. Paper

International Paper Co. and subsidiaries, controlled by International Paper & Power Co., report net profit in 1940 of $15,795,648 after all senior charges, including provision of $1,660,106 for excess profits tax and dividends of subsidiary. Net was equal to $8.96 a share on the common after providing dividends on the preferred stocks, on which there are accumulations. This compares with net profits in 1939 of $5,090,465, equal to $5.30 a share on the 7% preferred.

Undeclared cumulative dividends at the end of 1940 amounted to $65.46 a share on the 7% preferred and $58.25 a share on the 6% preferred stock.

Current assets as at Dec. 31 last amounted to $62,876,899 and current liabilities $22,278,834, compared with $49,076,553 and $13,217,260, respectively, at end of preceding year.

Saguenay Power

Annual statement of Saguenay Power Co. and wholly owned subsidiaries shows operating revenue of $5.3 millions in 1940, compared with $4.8 millions in 1939.

Increased expenses, higher miscellaneous taxes and sharp increase in provision for income tax left net profit at $1.3 million, a decline of $40,385 from 1939. Profits for 1940 includes $217,988 for tax adjustments for prior years which were billed to consumers.

Net was equal to $4.70 a share on common stock, against $4.89 the year before.

Balance sheet shows an increase in cash from $1,120,000 to $1,315,000, while funded debt was reduced by $700,000 to $32 millions.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Oper. revenue	5,272,768	4,799,180
Less: Oper. & admin. exps.	710,768	590,882
Taxes (excl. inc.)	324,786	303,476
Net earnings	4,237,214	3,904,822
Add: Other income	76,772	77,811
	4,313,986	3,982,633
Less: Fund. debt int.	1,468,333	1,415,717
Other interest	424	5,022
Depreciation	718,329	717,762
Inc. & profits tax	850,925	304,688
Unreal. exch. prof.	54,854	64,564
Secs. disct. & exp.	176,576	171,962
Add: Tax adjust.*	217,988	......
Net profit	1,262,533	1,302,918
Less: Pref. divds.	275,007	275,007
Com. divds.	840,000	945,000
Surplus for year	147,526	82,911
Add: Prev. surplus	3,647,697	3,557,058
Bad debt res. adj.	......	7,728
Less: Retire. annuities	77,928	......
Surplus forward	3,717,295	3,647,697

*Tax adjustments for prior years billed to consumers.

Working Capital

	$	$
Current assets	2,101,740	1,643,620
Current liabilities	2,121,391	1,514,768
Working capital	*19,651	128,852

*Excess of current liabilities over current assets.

NEW DIRECTOR

A. L. Mailman has been elected a director of C. W. Lindsay & Co. Ltd., replacing the late Hon. Gordon W. Scott. Mr. Mailman is president of the British Rubber Co. Ltd., president of Pal Blade Co. Ltd. and a director of the Montreal Life Insurance Co.

Industrial Alcohol Net Is Doubled

16 Cents Earned in First Half Year Against 8 Cents

From Our Own Correspondent

MONTREAL.—Net profit of Canadian Industrial Alcohols Co. in the six-month period ended Feb. 28 was more than double the same period last year. Net totalled $179,488, compared with $87,963 in the corresponding period last year. This was equal to earnings on the combined A and B stock of 16 cents a share and 8 cents, respectively. Provision for income tax totalled $168,773 in the first half of the current year, compared with $32,662 in the same period last year.

Domestic Activity Soars

Domestic operations showed an operating profit of $419,906, compared with $186,210.

Earnings Statement
Six Months Ended Feb. 28-29

	1941	1940
	$	$
Operating profit:		
Domestic	419,906	186,210
Foreign	......	4,012
Robt. McNish	43,007	18,617
	462,913	208,839
Add: Misc. income	10,124	10,591
	473,037	219,430
Less: Exec. exp.	18,522	13,498
Bank interest	*6,265	......
Bond interest	......	664
Depreciation	79,431	79,643
War risk ins.	20,558	......
Income tax	168,773	32,662
Net profit	179,488	87,963

Taxes Curb Profit Gain of Candn. Gen. Electric

Net profits of Canadian General Electric Co. for 1940 amounted to $2,308,019 and in 1939 to $2,150,027. In the table published on page 9 of The Financial Post for April 19 figures shown for Canadian General Electric were net earnings, instead of net profits. The figure of $6,136,378 for 1940 and $3,253,079 for 1939 represented the earnings of the company before depreciation and taxes.

From the figures published it would appear that the company's net rose 88.6% despite a rise of 629% in taxes. Actually the gain in net profits was only 7.3% because of this tax increase.

Kensington Manor

Payment of six months interest at 7% for the half year to April 20, 1933, plus past due simple interest thereon at 5% to April 20, 1941, on on the 7% first mortgage bonds of Kensington Manor Apartments, Windsor, has received court approval.

The receiver reports the building in good condition, and on the present basis has maximum gross annual rental of $16,182. Application has been made to the Rentals Control Board for permission to increase monthly rentals by $134. No further offers are reported for the property.

As no coupons are attached to the bonds, it will be necessary for bondholders to forward their bonds, together with ownership certificates, to the London & Western Trusts Co., Windsor, for payment of interest.

Comparative figures of operating results are as follows:

Revenues and Expenditures

	1940	1939
	$	$
Gross revenue	16,135	15,745
Less: Taxes†	2,451	2,301
Insurance	660	34
Repairs	2,211	3,927
Water, heat, light	1,698	1,723
Janitor	1,080	1,080
Other expenses	209	637
Operating surplus	7,826	6,043
Less: Bond int. paid	3,704	3,659
Balance*	4,122	2,384

*Before depreciation, management and legal expense. †After deducting tax prepayments of $63 in 1940; $59 in 1939.

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Algoma Central

Will you kindly furnish me with information on the current earnings position and outlook for Algoma Central & Hudson Bay Railway?

Annual report of Algoma Central & Hudson Bay Railway Co. for 1940 is not available at the present time. Although we have no official details, it is reasonable to assume that the revenues of the company showed considerable increase over those for 1939 and that this trend is continuing. This company obtains a substantial part of its revenue from handling pulpwood which is cut from timber limits along its right-of-way. In view of the accelerated activity in the Canadian newsprint industry since the outbreak of war, this branch of traffic must have shown good increases. Greater activity has undoubtedly been noticed over the company's terminal facilities at Sault Ste. Marie in line with the accelerated activity at such plants as those of Algoma Steel Corp.

Net earnings for 1939, before allowing for rental on the terminal properties, amounted to $91,110 compared with $87,777 in 1938. Net loss before allowance for accrued interest on the railway company's bonds amounted to $119,832 in 1939 and $115,675 in 1938. This is after allowing for accrued rental on the terminal properties plus interest on unpaid rentals, neither of which sums were paid.

Imperial Oil

Have recent developments affecting Imperial Oil Ltd. improved the outlook for shareholders?

Imperial Oil Ltd. has just issued its annual report for 1940 showing a net profit equivalent to 63 cents a share compared with 71 cents in 1939. A substantial gain in earnings from Canadian operations followed the increase of 16% in crude oil processed last year, but this was more than offset by the decline in dividends from subsidiaries and other investments.

For the first time since 1934, however, the company had a small balance available to add to its earned surplus account. This indicates an important change in policy with regard to shareholders. For a number of years it has been paying out substantial amounts from surplus accumulated in previous years but it appears that this policy is now at an end and that future dividends will be more closely regulated by actual earnings in the year in question.

Basically this is a constructive move as it has been recognized for a number of years that the policy of paying out more in dividends than was earned could not continue indefinitely. Outlook in the current year appears good in so far as demand for its products are concerned. This assumes that there will be no serious interference with consumption of gasoline and oil in Canada arising out of the war.

C. P. R.

Although railroad business has improved during the past year, no dividends have been paid by the C.P.R. Is there any sign on the horizon that the company will start paying dividends on the ordinary shares?

It is rather questionable if the Canadian Pacific Railway will pay dividends on its ordinary shares in the immediate future. While it is true there has been an improvement in earnings and that relatively substantial profits were shown on the ordinary stock last year, the general view is that the company is likely to husband its resources until such time as the outlook is more clear cut. On the other hand, there may be changes in the tax situation which would influence the directors' decision in this respect, but that is something upon which it is difficult to comment at this time.

Inter-State Royalty Revenue $495,731

From Our Own Correspondent

MONTREAL.—Inter-State Royalty Corp. advises the Montreal Curb Market that at Jan. 31 investments in oil royalties had a book value of $1,067,147. Gross revenue from royalty income since acquisition amounted to $495,731 Dec. 31, and reserve for depletion totalled $134,548. During December the company had gross royalty income of $3,116. Accumulated royalty income for 1940 amounted to $63,726.

PENMANS SALES

From Our Own Correspondent

MONTREAL.—Sales of Penmans Ltd. for the current year to date show a moderate increase over the like period of 1940, according to a statement at the annual meeting of shareholders.

Latest development in paper manufacture

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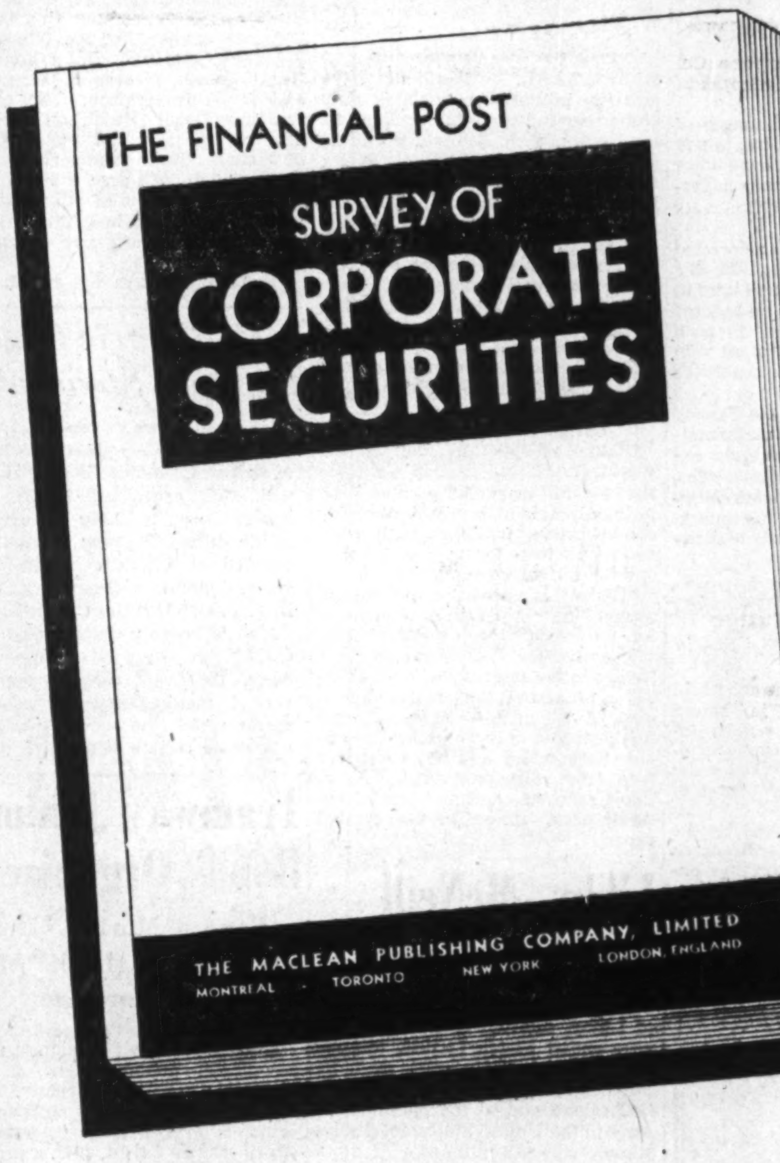
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Insurance

Danger of Burglary Greater in Spring

A Toronto lady recently went into her garden to see how the tulips were coming along. She left her purse and some valuable rings she had been wearing on the dining room table. Her daughter was in the house upstairs.

A sneak thief entered from the driveway. He emptied the lady's purse, which contained a substantial sum of money, and took the jewellery and some other pieces of silverware in the dining room. The lady seeing him indistinctly through the back windows thought it was her daughter. The daughter upstairs thought it was her mother. When they found they were wrong it was then too late.

This is an actual case and probably has been duplicated in many other cities.

Advent of Spring

Spring and the summer season, when people spend much time outside their houses and leave windows and doors unlocked, add considerably to the danger of loss by burglars. While these gentry are active all the year round the efficient burglar makes the warm weather months his harvest. He is especially active when vacation time comes round and whole families are likely to be away.

The modern burglar is usually fairly smart. Investigations have shown that whether he operates alone or with a gang he goes about it in a systematic way, preparing lists of prospects, getting information on the houses containing goods worth stealing, and what is the best time to attempt a robbery.

According to Plan

He watches the social columns of the newspapers closely to see who is going away and when; what women wear expensive jewellery at evening parties; and what families are entertaining wealthy guests.

He also watches the death notices closely. Funerals often present excellent opportunities for thieves, because on those occasions, whole families are apt to be away and unwatchful. Not only are the bereaved families likely to be robbed but also sympathetic neighbors.

Many a summer widower has been called to the phone only to have the party at the other end hang up. Chances are it was a thief finding out if anybody is home.

$1.4 million in Premiums

The frequency of burglaries is enough to cause many householders to seek burglary protection. In 1940 the premiums paid to the insurance companies in Canada for burglary insurance amounted to $1.4 million. Losses were $534,294.

Insurance protection can be had under a number of contracts, one of the most popular of which is the blanket policy which includes coverage against burglary, robbery, hold-up, larceny, damage caused by any of the foregoing as well as loss from a safety deposit box.

In recent years, the personal property floater policy has proved popular with many because it gives burglary protection as well as coverage against loss from mysterious disappearance in addition to fire.

Effect of War

Demand for burglary insurance is on the increase recently owing to the larger earnings of the people due to the war business. More money is kept in the houses, while many people formerly on reduced incomes have been buying jewellery or silverware. War is no reason for the burglar to slacken his labors. If people have more money or property for him to steal it is only an inducement for him to ply his trade.

Insurance Problems

Group Insurance

We are thinking of putting a group insurance plan into effect in our company. Please tell us:

What life insurance companies write this class of insurance?

How do the rates of the different companies compare? Can you give an average rate for say 25 years of age?

How large a group is it necessary to have to qualify for group insurance?

What are the main requirements with which employees have to comply?

Nearly all companies writing life insurance in Canada write group insurance. The rates, we understand, are pretty well uniform. They vary according to whether the group is over 50 or under 50 in number. At age 25, with a group of over 50, a fair average rate would be $6.27 for $1,000 insurance. If the group is less than 50, the rate is $1.75 higher for every $1,000. The rates of course vary according to the age of the individual insured, just as they do in an ordinary policy.

There is no law establishing a minimum number to be covered by a group policy. It is left to the individual companies to decide.

Main requirement affecting employees is that they are working on a full-time basis when the policy is written. Usually all eligible employees may be included without medical examination.

Canada Life Announces Agency Appointments

The Canada Life Assurance Co. announces two important changes in its agency organization.

A. Grant MacKenzie, manager of the Windsor, Ont., branch, has joined the agency department at head office and R. A. Sanderson, agency supervisor, has been appointed manager of the Vancouver branch.

Mr. MacKenzie became associated with the company in Sept., 1926, as a representative at Detroit and later at Montreal. In Sept., 1936, he became manager at Windsor and, in both 1939 and 1940, his organization won third place in the "President's Award" competition.

Mr. Sanderson entered the Canada Life service in 1922 in the mathematical department, and has wide experience in conservation, group sales, training and educational work. More recently he has spent all his time in agency activities in Canada and the United States.

More Life Insurance Written in U. S.

New ordinary life insurance sold in the United States in March amounted to $598 millions, an increase of 4% over the corresponding month in 1940. The total for the quarter was $1.6 billion, a gain of 3%.

The figures are furnished by the Life Insurance Sales Research Bureau and are based on the experience of 53 companies, representing 81% of the new ordinary life insurance in the United States. They include new paid for ordinary insurance, exclusive of increases, revivals, dividend additions, reinsurance acquired, annuities, group and whole sales business.

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MOVES UP

F. L. Whitaker has been appointed an assistant general manager of the Dominion Life Assurance Co., Waterloo, Ont. He was formerly treasurer of the company, and he will retain that office, along with his new post. He has been with the company since 1924.

Kelvinator Sales Up

Demand for Domestic Refrigerators at High Levels

Sales of Kelvinator of Canada, Ltd., in the first half of the company year which ends in September have been substantially ahead of the same period a year ago. The Financial Post understands there are no signs of slackening in demand for refrigerators.

The company has been aided over the past year by an unusually good demand for commercial refrigeration units and beverage cooling units, especially by a substantial contract from Coca-Cola.

The company has been forced to substitute Monel metal for stainless steel in some cases and some deliveries are slow. Use of aluminum, of course, is severely restricted.

Last year Kelvinator established a new record in units produced in the Canadian plant. Its business is seasonable with by far the greater proportion of domestic refrigeration units being sold from March to June.

Wages have been raised and plant improvements made, as a result of which annual earnings of employees last year were above any previous year.

Accidents Hit Paper Mills

Mishaps Cost Industry $25 Millions in Past Nine Years

From Our Own Correspondent

MONTREAL. — Accidents have cost $25 millions in Quebec's pulp and paper industry during the past nine years, W. L. Bennett, president of the Quebec Pulp and Paper Safety Association, asserted at the annual meeting. Increased co-operation, he said, is more than necessary today with the country engaged at war and needing every well-bodied man.

There were 58% more accidents in mills reported last year than in 1939. In pulpwood logging operations the increase was 51%. Fatal accidents in mills increased from four to five and, in the bush, from 13 in 1939 to 25 last year.

Larger Number of Claims

Claims accepted by the Quebec Workmen's Compensation Commission for mill accidents totalled 1,508 for medical aid only and 631 involving compensation, while in bush accidents 1,035 were for medical aid only and 6,800 involved compensation.

"While it is a pleasure to announce a reduction in the rate of assessment in pulpwood logging operations, retroactive for 1940, representing a saving to the industry of over $200,000 in premiums, the general experience of our member companies for last year can only be called reasonably satisfactory and not altogether free from disappointment," A. S. Cook, secretary and manager of the Association, stated in his annual report.

Libby, McNeill Earnings Good

Net sales in Canada to customers of Libby, McNeill & Libby in the year ended March 1, 1941, totalled $4.3 millions. Adding sales made by the Canadian company to its affiliate in England and to the parent company in the United States, total sales volume was $5.2 millions.

After making provision for all expenses and income taxes, the Canadian company had net profit of $255,187 for last year. It paid dividends to U. S. parent company of $236,486 and carried forward a surplus of $322,501.

Total current assets of the Canadian firm March 1 last were $804,097 and current liabilities $565,107. It owed the banks $80,100.

All shares of the Canadian company are owned by the U. S. concern and outstanding capital amounts to $700,000. Fixed assets consisting of land, buildings, machinery, are shown at $1.3 million against which depreciation reserves total $631,896.

This is the first time separate accounts have been issued for this subsidiary of the American company; as made advisable this year on account of the exchange restrictions.

Quebec Accident Board Lowers Assessments

From Our Own Correspondent

MONTREAL.—Because of a substantial drop in industrial accidents in the past 15 months, the Quebec Workmen's Compensation Commission has announced a reduction of 10% in assessments in the current year. In addition $500,000 will be paid back to industries in the province. The reimbursement will be made on 1940 assessments.

New Books . . .

New Pamphlet Series

AMERICA IN A WORLD AT WAR. A new pamphlet series by Farrar and Rinehart, New York. Published in Canada by Oxford University Press, Toronto. Price 10 cents each.

This is a new series of pamphlets inspired no doubt by the Oxford pamphlets, but published by an American publisher primarily for an American audience. Some eight pamphlets are already out and are outselling every other pamphlet series in United States.

The authors are outstanding in their field. One feels that any friendship that is expressed for the British Empire or the cause of democracy in the war is sincere and deeply felt.

The titles published to date or about to be published include:

An American Looks at the British Empire. By James Truslow Adams.

The Faith of an American. By Walter Millis.

Where Do Catholics Stand? By William Agar.

A Summons to the Free. By Stephen Vincent Benet.

The Monroe Doctrine Today. By Grayson Kirk.

Germany Then and Now. By Alonzo E. Taylor.

America's Maginot Lines. By Helen Hill.

Aircraft Production and National Defence. By T. P. Wright.

The Isolationist Illusion and World Peace. By James P. Warburg.

Oxford Pamphlets

LATIN AMERICA. By Robin A. Humphreys.

THE MILITARY AEROPLANE. By E. Colton Shepherd. Published by Oxford University Press, Toronto. Price 10 cents each.

Here are two more titles in the readable informative series of Oxford Pamphlets on World Affairs. The series is a little more than a year old and has already reached number 40 in addition to a group of Canadian titles.

In "Latin America" an English historian outlines the common role of the United States, British Empire and the Latin countries of America in world peace.

In "The Military Airplane," the editor of the British publication "The Airplane" tells about bombers and fighters, how they are made and how they are used. The trend, he shows, is to ever faster bombers.

Bank Law For Laymen

THE LAW OF BANKS AND BANKING IN CANADA. By Paul Phillips and M. Shelly Millstone. Published by Blackstone Publishing Co., Toronto. Price $1.

There are now six volumes in this series in which the law on subjects such as marriage and divorce, master and servant, landlord and tenant, real estate mortgages in Ontario, etc., is translated for the layman.

The newest deals with the law of banks and banking. Following a non-technical exposition of the law as set forth in various statutes, the authors present a series of 50 questions and answers that interpret the answers to typical problems.

Canada's War Effort

CANADA FIGHTS. An American Democracy at War. Edited by J. W. Dafoe. Published by S. J. Reginald Saunders, Toronto. Price $2.50.

Six thoroughly well-informed Canadians have written this book. Four are members of the Winnipeg Free Press staff: Dr. Dafoe himself, Grant Dexter, George V. Ferguson and B. T. Richardson. The other two are Bruce Hutchison of the Vancouver Sun and Percy Corbett of McGill. Their theme is Canada at war and they give a lucid and compelling account of why Canada took up arms and how it is organizing to make an effective contribution.

Obviously written for an American audience, the volume puts much emphasis upon Canada-U.S. defense. In fact, Ogdensburg and its implications is the central theme of the different chapters.

There is virtually nothing of controversy in "Canada Fights." If the authors ever differed in their interpretation of an appropriate foreign policy for Canada they have resolved their differences in joint authorship. Moreover, none of the controversies that have marked the management of Canada's war effort under Prime Minister Mackenzie King are touched upon. This is perhaps entirely proper. There is enough of unity of purpose and success in achievement in Canada's war effort to make a splendid story to lay before an American public. But one wonders why, in a volume that avoids criticism of any kind in respect to Canada it is necessary to put the blame for Canada's laggardness in the first nine months of war upon the United Kingdom. That these months, precious months, were irretrievably lost, so far as production in Canada was concerned, is set forth in the book but the authors lay the responsibility entirely to Britain. Canada was operating according to a British plan. British manufacturers, through carelessness or selfishness, failed to co-operate with Canadian industry, and so on. There is not a word about Canada's pre-war attitude toward British defense plans or about the Prime Minister's coolness toward British munitions production here, both of which were factors in the nine months waiting.

Surely a volume that sets out to show Americans that Canada is without important wartime controversies and divisions of opinion is in poor taste when it puts on the record one side only of British-Canadian controversies.

Churchill in Bath Towel

I WAS WINSTON CHURCHILL'S PRIVATE SECRETARY. By Phyllis Moir. Published by Longmans, Green & Co., Toronto. Price $2.50.

When Winston Churchill came to this continent for one of his long lecture tours he needed a private secretary, one who could be trusted, one who knew English ways. Miss Moir was his choice. She had acted in a similar capacity for Arthur (Lord) Balfour, Lord Robert Cecil, Sir Nevile Henderson and others. She was with Mr. Churchill for only a few months, long enough to learn the ways and habits of the brilliant, 100-horsepower Puck who today has become the world leader of democracy in its war for existence. She gives an intimate picture of Churchill as a sort of cigar-smoking Beaverbrook, driving himself and all around him with furious energy, making the world spin around his own little axis, lecturing, writing, campaigning and probing 17 hours a day; the hours of his own choice, incidentally, without regard for the comfort of anyone

Little cameos are the best features of the book: Churchill, dictating through the bathroom door and appearing in a furious rage with a bath towel around his midrif; Churchill, demanding that everyone else be punctual while he himself is late for everything; Churchill, calling his secretary out of bed late at night to dictate a letter to David Low, asking the cartoonist not to make him look like Lord Hailsham.

There are pen pictures, too, of Mrs. Churchill and of Diana and Randolph. Miss Moir apparently liked the Churchill youngsters, but she makes them appear as the delightfully impertinent children they are.

B. C. Electric Rate To Hold Steady

From Our Own Correspondent

MONTREAL. — Rate structure of British Columbia Electric Railway Co., controlled by B. C. Power Corp., is likely to remain stable during the war it was intimated at a public hearing by W. A. Carrothers, chairman of the B. C. Power Utilities Commission.

This followed a statement by W. G. Murrin, president of the company, that war conditions prevented making many improvements which the company might otherwise like to undertake.

Tramway Junior Bonds Organize

Rene Morin Heads Group to Look After General Mortgage

From Our Own Correspondent

MONTREAL. — Consequent upon an official announcement of the Montreal Tramways Company that it will be unable to meet payment of principal on its first mortgage bonds which mature July 1, 1941, a protective committee has been set up by holders of the general mortgage bonds.

The new committee, formed on the initiative of Rene Morin, general manager of General Trust of Canada, comprises:

R. W. STEELE, president and managing director of Asbestos Corp., Montreal.
H. T. ROESLER, treasurer of Imperial Life Assurance Co., Toronto.
GERALD G. RYAN, of the firm of L. G. Beaubien & Co., Montreal.
ARISTIDE COUSINEAU, of the firm of Rene T. Leclerc, Inc., Montreal.
RUSSELL BELL, of the firm of Greenshields & Co., Montreal.
RENE MORIN, manager of General Trust of Canada, Montreal.

Automatic Default

At the end of last year Montreal Tramways Co. had outstanding $26,254,000 of the general mortgage bonds. Under the terms of the trust deed, failure to meet principal of the underlying security involves default in respect to the general mortgage bonds.

Members of the general mortgage committee hold or represent a substantial proportion of the outstanding bonds and plan, for protection of these bondholders, to participate in negotiations of any scheme of arrangement between the company and bondholders.

This is the third committee formed for protection of bondholders. Two separate committees have been set up to protect the interests of the holders of the first mortgage bonds.

P. E. I. Reports Lower Deficit

Ordinary Deficiency of $121,835 Shown—Debt Increases by $627,914

Public accounts of Prince Edward Island for the year ended Dec. 31, 1940, show deficit on ordinary account of $121,835, compared with budget estimated deficit of $241,002. In 1939 deficit amounted to $154,667.

Revenue totalled $2 millions in 1940, a decrease of $11,684 over the previous year. Expenditure decreased to $2.2 millions, a drop of $44,616.

Capital Outlay Cut

Net capital expenditure was $634,982, leaving over-all deficit of $756,717. This compares with net capital expenditure of $1.9 millions in 1939, and over-all deficit of $2 millions.

Total funded and unfunded debt of the province increased to $9.4 millions from $8.8 millions.

Ordinary Revenue and Expenditure
Years Ended Dec. 31

Revenue:	1940 $	1939 $
Dom. subsidy	647,182	647,182
Other Dom. aid	250,833	248,798
Income tax	85,911	56,927
Corporation tax	132,365	131,813
Gasoline tax	381,007	384,440
Other taxes	217,645	260,047
Licenses, permits, etc.	194,178	194,924
Other revenue	121,245	117,919
Total ord. rev.	2,030,366	2,042,050
Expenditure:		
Debt charges:		
Interest	387,462	308,295
Sinking fund	128,804	238,903
Public welfare*	609,830	581,691
Education	360,559	367,878
Justice	79,499	79,777
Highways	274,971	293,609
Central govt.	117,953	136,518
Other expenditure	193,023	190,046
Total ord. exp.	2,152,101	2,196,717
*Includes:		
Relief	78,025	85,281
Pensions (old age & blind)	300,206	282,403

Recapitulation

	$	$
Ordinary revenue	2,030,366	2,042,050
Ordinary expenditure	2,152,101	2,196,717
Ordinary deficit	121,735	154,667
Net cap. expend.	634,982	1,853,222
Over-all deficit	757,717	2,007,889

Debt Position
At Dec. 31

	1940 $	1939 $
Gross funded debt	8,518,000	7,218,000
Less: Sinking fund	1,703,096	1,498,462
Net funded debt	6,814,904	5,719,538
Unfunded debt:		
Bank overdraft	1,993,350	2,006,633
Loans on dep.	627,570	1,081,739
Total liabilities	9,435,824	8,807,910
Increase	627,914	1,768,986

Scotching of Adverse Rumors Seen Vital to Draw Tourists

Volume of tourist travel to Canada this summer depends largely on how well adverse rumors in the United States are rendered ineffective by reliable information from Canada, is the view of informed analysts of the situation in that country.

Over 10 million visitors from the U. S. came to Canada last year. They spent an average of $10 each. With those U. S. dollars Canada was able to finance purchase of aircraft engines and other products not available within the Dominion.

This year a determined effort is being made to increase the flow of the American tourists and their dollars.

Success of the campaign depends largely, it is now agreed, on the extent to which Dominion and provincial agencies succeed in combating misunderstandings which have arisen in the U. S., as to conditions in this country and the part which Canada is playing in the war.

Angles to Consider

A recent survey of American tourist agencies, hotel managers, etc., as to the factors working against the flow of tourist traffic to Canada brought to light the following aspects of the problem:

1. Lack of knowledge governing regulations permitting entry to and exit from Canada.
2. Inspired rumors concerning "rationing" of gasoline, food and currency.
3. Alleged difficulties of re-entry into the United States.
4. Need for greater effort to get support of Americans sympathetic to the Allied cause.
5. Need to explain and re-explain away any misunderstandings.

When travel regulations went into effect last July, the flow of American tourists to Canada was sharply curtailed. This was due almost entirely, it is asserted, to failure to get over clearly to the American people what these changes meant. There is no doubt that Axis agents took advantage of the situation to start a "whispering campaign" against travel to Canada.

Keep Them Informed

Travel bureaus in the States report they have not been adequately equipped with official information from the Canadian Government to enable them to refute, decisively, the rumors that have been circulated all the way to Florida and California. This is a situation which is being remedied, according to recent reports.

The publisher of one large American travel magazine made this comment:

"There have been rumors flowing about the United States concerning rationing of gasoline and food; and about border restrictions. As far as I have been able to ascertain, these rumors had their inception over in Ottawa when some member of your Parliament suggested a curb on Canadians out driving on Sunday. This was seized upon by the more unfriendly press and, of course, it was a simple matter to add rationing of food, etc."

Canvass of hotel managers, tourist agencies, travel bureaus and transportation operators in the U. S. reveals some operators of United States resorts resent Canada's restriction against Canadians travelling for pleasure in the United States. Many of these people have suffered considerable financial loss as a result of this restriction and will likely do so as long as it remains in force.

The survey also indicated that a revamped approach to prospective American tourists would be effective.

Appeals to date have been largely based on tourist attractions. But many individuals and organizations in the States think more emphasis should be placed on asking the American tourist to help Canada's war effort by spending American dollars in Canada.

An official of one organization said:

"Nothing could more effectively solve your problem than to stress the fact that American tourist dollars spent in Canada will directly buy American armaments to be used against the Axis powers. I do not believe that you could possibly over-emphasize this point. Dollar for dollar the money spent by American tourists in Canada will come right back to this country to pay for munitions which will immediately go into action on behalf of all of us."

PROMOTED

A. S. Upton, formerly superintendent of agencies of the Dominion Life Assurance Co., Waterloo, Ont., has been appointed an assistant general manager of the company. He has been with the Dominion Life since 1927.

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Banking

Greenbacks Brought Grief

They Raised Living Costs Far Out of Proportion to Wages

This is the ninth article in a series on currency inflation. It describes the experience of the United States when its Government tried to finance the first years of the Civil War by issuing greenbacks. Much hardship resulted. But later when the currency came again under control, these greenbacks became an important part of the currency of the United States.

By DONALD G. MacLEAN
Staff Writer, The Financial Post

Wars seem to have a habit of coming when nations can least afford them.

That is why people at such times are ready to listen to unusual plans for raising money, such as currency inflation.

The greenback money still in use in the United States is a reminder of the emergency methods used by the United States Government to finance the Civil War, with disastrous results to many of the people.

In 1860, the year before the Civil War broke out, the credit of the Government was good. Business generally was in a prosperous condition. The total interest-bearing debt of the country on June 30 that year was only $65 millions.

Metallic Basis

The currency of the country was on a metallic basis with notes of the State banks also passing readily as a medium of exchange. There were in addition, however, a great many counterfeit notes in circulation, so that the currency situation was an unsatisfactory feature of the whole financial system.

The election of Abraham Lincoln as president brought to a head the discontent of the South. This undermined confidence. People felt that civil war was coming and accordingly began to retrench. Business became very cautious. Customs revenues which were the main source of revenue for the Government fell off. Late in 1860 a financial crisis occurred. Many of the state banks failed. This wiped out much of the bank note money that had been in circulation. People began to hoard coin money.

It was under such circumstances that Abraham Lincoln took over the Government. The national treasury was practically empty. As the amount of money in circulation had dwindled, due to the state bank failures and the hoarding by the people, the new Government found it necessary to bridge the gap by issuing treasury notes.

Government Needed Money

These were payable on demand but were not legal tender. The amount issued by Oct., 1861, was $33 millions. But, meanwhile, the Government had to find money to finance the war. It decided to do this in two orthodox ways, by increasing internal taxes and borrowing from the public.

But there were several obstacles. For instance, the people of the north believed the war would be very short. Many of the Republican party constantly objected to imposing heavy taxes for such a short time. It was felt that if the burden of taxation was greatly increased, it would tend to make the Republican party unpopular with the people at large and there was also a fear that taxes once imposed might become a permanent burden.

Another difficulty facing the Government was that owing to the initial successes of the Southern armies many people began to think that the north would lose the war and consequently were not willing to invest in its bonds. Accordingly the first loan was made from the banks and amounted to $150 millions.

The Government wanted the banks to pay it the proceeds of the loan in specie instead of placing it to the Government's credit on their books. This demand from the Government for specie combined with the hoarding of coins by the public drained the cash resources of the banks and accordingly they were forced to go on a paper basis. The Government followed them and the country was then on an unconvertible paper currency basis which continued for 17 years.

Pressed By War

Meanwhile the Government was faced with the need of finding further revenues with which to carry on the war.

Later, when winning the war had come to be regarded as a national duty and the lending of money for that purpose was felt to be one of the most important things in life it was not difficult to float loans. The 7% rate of interest offered was also an inducement. But in the earlier months, the public was not keen on buying Washington Government loans.

Accordingly with paper money already in circulation generally, the Government turned to the printing press as a method of financing. The people of the United States had unpleasant precedents in the issue of paper money to remember. But, as always, the feeling was that this time the device of printing money was to be used safely.

The first issue in 1862 was for $150 millions. The notes were called "greenbacks" because the back was printed in green ink—evidently a new practice at that time. This first issue was followed by two more of the same size and by Mar., 1863, a total of $450 millions of greenback money had been printed. The total issue of $450 millions looks small today. But at the time it was a very substantial addition to the amount of money outstanding.

Bad Effects

The expansion in the volume of money in circulation had the usual effect of raising prices.

This rise in prices had two important effects. First, it added to the cost of the war considerably. The Government had to pay more for everything it bought and for labor it employed. This result not only followed the issue of each lot of new currency, but affected the purchasing power of succeeding bond issues. The purchasing power of these loans in each case was less than anticipated because of the upward trend in prices.

It has been estimated that the inflation of $450 millions of greenbacks in the first three years of the war added $389 millions to the cost.

Prices and Wages

Unpleasant results were also seen in the relation of prices and wages. Prices, it is estimated, rose from a base of 100 in 1860 to 217 in 1865. Other estimates say that the purchasing price of the dollar fell to 35 cents. Meanwhile, wages rose much more slowly than prices. The same authority which estimates the rising of prices from a base of 100 in 1860 to 217 in 1865 reckons that wages during that period rose only from 100 to 143.

Figured in another way this means that the real wages of labor dropped from 100 to 66, that is, the workman's dollar would buy only two-thirds of the commodity which it would formerly.

Another result was that the relationship between debtors and creditors was entirely upset.

Soldiers Suffered

Among the classes which suffered severely from the drop in purchasing power of the dollar were the soldiers and their families. Their pay which stood at $13 a month up to 1864 gave them and their families very little to go on at the higher cost of living. Even when in 1864 the scale was raised to $16 a month, it did not nearly correspond with the rise in living costs.

Other classes that suffered severely included most salaried people, such as teachers and white-collar workers generally.

By 1865, resulting hardships had become so great that the need of preventing any further issues of greenbacks was generally accepted. Every effort was then made to reduce the amount then in circulation. This, however, met with strong opposition from those who feared the effect of widespread price deflation. For a time, this opposition to contraction in currency was most powerful.

Black Friday

Meanwhile gold was selling at a premium and there was a tendency among speculators to buy gold in the hope of cornering markets and thereby causing a rise. An instance of this occurred in 1869 when Jay Gould and James Fisk Jr., purchased large quantities of gold, causing a rise in the premium of gold in terms of greenbacks from 130% to 162%. But the United States Treasury was not in sympathy with such speculative operations and entered the market to sell metal and the premium came crashing down to 135, causing ruin to thousands. The day this occurred, Sept. 23, 1869, is known in Wall Street history as "Black Friday."

Meanwhile, however, in the period of recovery after the Civil War, United States business was improving in spite of all obstacles. There had been no further issues of greenbacks and government reserves of gold were increasing. Finally legislation was passed providing for the retirement of part of the outstanding issue of greenbacks. When this was done, with the larger gold reserves of the Governments, the greenbacks came back to par in terms of gold. Since that time, they have formed part of the United States currency to the extent of $346 millions. But their name has always been associated in the minds of many people with high prices, low wages and public distress.

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NEW EXECUTIVES AT THOMPSON PRODUCTS — Executive appointments at Thompson Products Ltd., St. Catharines, suppliers of essential parts to the automotive, aircraft and mining industries, have just been announced by G. A. Stauffer, vice-president and general manager. Shown left to right are: J. C. Wilson, who becomes director and vice-president in charge of sales; Fred Allcock, who becomes a director and vice-president in charge of manufacturing; and J. R. Leach, who has been made a director and assistant secretary-treasurer.

Bank Manager Views Policy As Important Asset

Bankers considering an application for a loan have more confidence in the applicant and his ability to make good, if they find he has enough life insurance to take care of his family, Frank Pike, manager of the Bank of Montreal at Edmonton told the Edmonton Life Underwriters Association.

A man's first duty, Mr. Pike stated, was to his wife and family and those dependent on him. But after that Mr. Pike maintained he should provide for debts which he has contracted.

While banks and insurance companies were usually classed as creditors, Mr. Pike pointed out that they represented policyholders and savings bank depositors. The same man with a life insurance policy, or money in the savings bank might also have a mortgage on his home, on money borrowed from the insurance company. This made him at the same time a creditor and a debtor.

Experience with the bank's staff had shown him he added that the young men in the service who carry life insurance are the type that can be depended on most to develop into trusted executive officers.

Increase Shown In Bank Debits

War Activity in Business Brings Gain of 18% in Payments by Cheque

Greater activity of business due to the war resulted in Canadians cashing cheques at the clearing house centres of Canada in March to the value of $2.8 billions, an increase of 17.6% over the same month last year. The rise in these bank debits compared with an advance of about 15% in The Financial Post Business Index for the period.

Improvement was shown in each of the five economic areas, the gains percent being: Maritimes 18.7; Quebec 5.6; Ontario 29; Prairies 14 and British Columbia 8.3. Compared with February there was a gain in total debits of 7.8%, each of the five areas being higher in this comparison also.

Debits to Individual Accounts
(Millions of dollars)

	Mar., 1941	Feb., 1941	Mar., 1940
Maritimes:			
Halifax	40.1	31.4	34.7
Moncton	10.8	10.4	8.9
Saint John	20.8	17.7	16.8
Total	71.8	59.7	60.5
Quebec:			
Montreal	709.3	630.1	641.8
Quebec	89.8	76.8	115.4
Sherbrooke	7.9	7.5	6.9
Total	807.1	714.4	764.2
Ontario:			
Brantford	11.5	10.3	9.0
Chatham	8.3	8.2	8.2
Fort William	7.4	6.5	4.8
Hamilton	82.2	73.9	57.8
Kingston	7.2	5.2	5.8
Kitchener	15.3	13.6	12.4
London	33.8	30.3	31.6
Ottawa	252.3	219.3	116.7
Peterborough	7.7	6.7	6.9
Sarnia	5.6	5.5	5.1
Sudbury	7.2	6.3	6.7
Toronto	862.6	778.2	748.9
Windsor	56.6	53.6	38.6
Total	1,358.0	1,217.8	1,052.8
Prairies:			
Brandon	3.1	3.2	2.4
Calgary	63.2	57.4	48.8
Edmonton	47.2	41.6	39.5
Lethbridge	4.5	4.1	3.6
Medicine Hat	2.6	2.6	1.9
Moose Jaw	6.9	7.6	5.5
Prince Albert	3.2	2.7	2.2
Regina	32.1	33.5	31.0
Saskatoon	10.5	9.7	8.9
Winnipeg	251.3	212.2	228.4
Total	424.5	374.9	372.8
British Columbia:			
New W'minster	8.3	7.6	6.6
Vancouver	136.7	138.5	126.1
Victoria	31.6	27.2	29.6
Total	176.7	173.3	162.5
Total for Canada	2,838.1	2,540.2	2,412.6

Note Circulation Shows Decline

Bank of Canada Issue Follows Seasonal Trend —Investments Down

A drop of $5.1 millions in note circulation shown in the Bank of Canada statement for the week ended April 23 is a seasonal development. Normally, in the latter part of April, when the Easter trade is over and the lumbermen have returned from the woods, and paid their winter's bills at the country stores, there is not the same demand for cash, and note circulation declines. The shrinkage in a normal year continues on through May.

Deposits of the chartered banks, with the Bank of Canada, rose over $6 millions, probably the result of notes returned to the Bank of Canada by the commercial banks. Dominion Government and miscellaneous deposits were lower.

Among the assets, holdings of sterling and United States exchange rose $11 millions, evidently due to payments from abroad for war materials. Investments were lower, but miscellaneous assets gained $10 millions.

Liabilities	Apr. 23 1941 $	Apr. 16 1931 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	370,651,541	375,725,879
Rest fund	3,722,910	3,722,910
Depos.: Dominion	10,414,286	8,978,587
Bank	224,769,096	217,869,459
Other	6,132,585	16,778,629
Total deposits	241,315,967	243,626,675
All other liabs.	6,067,234	7,747,802
Total liabs.	626,757,652	635,823,266
Assets		
In sterl. & U. S.	116,148,766	105,023,766
Subsid. coin	824,924	837,607
Investments:		
Dom. gov. short	380,022,242	391,254,660
Other Dom. gov.	117,363,327	116,714,673
Total invest.	497,385,569	507,969,333
Premises	1,730,651	1,717,693
All other assets	10,667,742	20,274,867
	626,757,652	635,823,266

ONTARIO STEEL PAYS

Ontario Steel Products Co. has declared an interim dividend of 25 cents a share on its common, payable May 15, 1941, to shareholders of record May 5. Last previous payment was for the same amount on Nov. 15 last.

Average Bank Deposit $524

Savings Exceed Current Accounts in Both Number and Amount

The average Canadian bank account is about $524. The average branch bank has 1,463 customers. The figures include both savings and demand deposits.

Excluding all accounts over $1,000 the average is a little over $124. This covers about 92% of all bank depositors.

According to the annual return of the chartered banks to the Department of Finance, Ottawa, there were 4,845,800 depositors in the 10 Canadian chartered banks on Oct. 31, 1940. Their total deposits on that date amounted to $2,540,800,000.

Savings deposits are shown as 1.7 times as large as deposits payable on demand and involving also six times as many depositors.

Demand Totals Up

Both the number and total amount of demand deposits are larger than in the year previous. This probably reflects the greater activity in business. The number and total amount of savings deposits are lower. This decline was largely due to greater use of savings deposits in business, and investment by depositors in the war loans floated in 1940.

The group of depositors with less than $1,000 each in the bank comprised 4,462,800 customers whose deposits total $557.7 millions.

There were approximately 1,700 accounts with bank balances of over $100,000 each. Their total deposits amount to $618.5 millions.

The number of depositors and the total amount of money on deposit in each group is shown in the accompanying tables:

Number of Depositors

	1940	1939
	Thousands	
Demand deposits:		
$ 1,000 or less	616.7	614.0
$ 1,000 to $5,000	57.8	53.1
$ 5,000 to $25,000	14.4	13.0
$25,000 to $100,000	3.2	3.0
Over $100,000	1.1	.9
Total	693.2	684.1
Notice deposits:		
$ 1,000 or less	3,846.1	3,828.3
$ 1,000 to $5,000	268.8	290.2
$ 5,000 to $25,000	34.7	40.0
$25,000 to $100,000	2.4	2.8
Over $100,000	0.6	0.6
Total	4,152.6	4,161.9

Amount of Deposits

	Millions of $	
Demand deposits:		
$ 1,000 or less	96.5	89.0
$ 1,000 to $5,000	120.5	109.2
$ 5,000 to $25,000	145.7	132.4
$25,000 to $100,000	152.4	142.0
Over $100,000	427.8	341.2
Adjustment items	—1.6	+7.8
Total	941.3	821.7
Notice deposits:		
$ 1,000 or less	461.2	454.9
$ 1,000 to $5,000	537.3	588.2
$ 5,000 to $25,000	299.1	348.9
$25,000 to $100,000	105.7	123.3
Over $100,000	190.7	190.1
Adjustment items	+5.4	+3.7
Total	1,599.5	1,709.2

Weekly Bank Clearings

	Apr. 24 1941 $	Change Year Ago %	Apr. 17 1941 $
Halifax	3,767,322	+38.9	2,784,331
Saint John	2,586,567	+34.6	1,974,970
Moncton	934,009	+42.4	769,344
Sherbrooke	820,642	+1.0	823,012
Quebec	4,645,154	+15.6	3,976,834
Montreal	101,094,451	+11.5	87,229,936
Ottawa	42,912,726	+121.6	35,756,470
Kingston	735,693	+30.6	570,246
Peterborough	678,135	+29.8	596,181
Toronto	120,945,548	+9.4	84,966,775
Hamilton	7,445,696	+42.5	5,610,936
Kitchener	1,266,054	+27.6	1,016,584
Brantford	1,018,244	+20.7	881,381
London	2,406,563	—4.7	2,238,579
Chatham	555,100	—21.6	589,176
Windsor	3,886,811	+54.3	3,272,924
Sarnia	491,784	+21.3	445,703
Sudbury	1,041,848	+9.7	847,404
Fort William	1,075,450	+71.4	909,934
Winnipeg	56,056,968	+38.0	44,023,492
Brandon	390,948	+39.5	305,606
Regina	3,882,654	+26.7	3,834,639
Moose Jaw	623,298	+31.8	532,297
Saskatoon	1,563,280	+19.5	1,261,622
Prince Albert	384,634	+18.0	302,691
Edmonton	5,079,816	+41.4	4,254,797
Lethbridge	532,472	+14.2	506,981
Medicine Hat	300,030	+29.1	259,836
N. W'minster	821,097	+19.7	582,087
Vancouver	18,589,601	+11.4	13,199,122
Victoria	1,983,794	+6.5	1,489,874
Calgary	7,362,992	+73.8	4,944,381

Municipal Finances

Edmonton, Alta.: Tax collections for Edmonton in 1940 reached the second highest level in city history. Collection of current and arrears taxes totalled 111.54% of the year's levy, against 108.87% in 1939. Peak was in 1928 with 115.4%. Current collections amounted to 84.86% of the current roll as compared with 83.02% in 1939. Tax rate for 1941 will continue at 51½ mills, same rate as in 1940.

* * *

London, Ont.: Bonded debt of London, Ont., has been reduced more than $1 million in the past year. Net debt, after deducting sinking funds, is now $5,184,266, compared with $6,140,545. No new debenture issues are expected for the coming year.

* * *

Winnipeg, Man.: As a result of sharp reductions in expenses, estimated deficit for Winnipeg in 1941 has been cut from the original figure of $112,328 to $1,848. Tax rate of 36.5 mills has been set for 1941, unchanged from 1940.

* * *

Fort William, Ont.: Five-year low has been established by setting the Fort William tax rate for 1941 at 41.5 mills as compared with 43.5 mills for 1940.

* * *

Calgary, Alta.: Calgary tax rate of 44.5 mills is the lowest since 1929, when the same rate was struck. The 1941 rate is a reduction of 1½ mills from the 46 mills levied in 1940, and compares with the recent peak of 56 mills set in 1936. Surplus of $172,461 realized in 1940 is key factor in the rate reduction, decreases in civic expenditures, particularly in relief, being balanced by increases in other departments.

* * *

Regina, Sask.—Regina's city tax rate for public school supporters in 1941 will be half a mill lower than in 1940 at 49½ mills. Separate school taxpayers will also pay half a mill less at 56.91 mills. Reduction was made possible largely by reducing expenditures $20,784, principal item being reduction of the amount provided for reducing bank loans and by lopping $1,284 from the city's share of superannuation contributions.

Trail, B.C. — A cut of approximately 11% in the tax rate of Trail, B.C., has been approved in the 1941 city budget. New rate of 40 mills compares with 45 mills in 1940. Improved position of the city reflects a sharp rise in taxes in 1940 from 40½ mills in 1939, instituted to put the city's finances on a sound footing.

* * *

Vancouver, B.C.—Financial progress made by the city of Vancouver in 1940 includes the sale of tax property to a net amount of $141,460, reducing the balance on the books to $5,453,796. Current tax collections of 91.78% of the levy were second best since the beginning of the depression, 1938 collection was 92.54%. Collections of tax arrears amounted to 42.08% of the amount outstanding, the highest since the depression, comparing with 34.43% in 1939 and 27.32% in 1938.

* * *

Victoria, B.C.—Tax rate of the City of Victoria for 1941 has been set at 38 mills, two mills below the 1940 rate. A surplus of $327,000 carried forward from 1940 is expected to be reduced to about $151,000 by the lower 1941 mill rate and by salary adjustments and cost-of-living bonuses for the lower-paid city employees who receive $125 per month and less. Victoria tax rate has been lowered each year for five successive years, rate in 1936 was 45 mills.

Huron & Erie On Uptrend

Mortgage Repayments Gaining—Repaying Sterling Debentures

Repayments on mortgages received by Huron & Erie Mortgage Corp. in the first quarter of 1941 have been near record levels and considerably better than in any recent year, The Financial Post is told by company officials. The upward trend started toward the end of 1940 and is apparently continuing at an accelerated rate so far this year.

This means that surplus of earnings over disbursements is growing and suggests that 1941 will be a year of improved earnings as compared with 1940.

Huron & Erie is taking advantage of the current favorable sterling exchange rates — and incidentally is providing a substantial sum of Canadian dollars for Britain—to pay off its sterling debentures in full as they come due. Offsetting the repayment of sterling debentures has been a rise in deposits and a continued good demand for the company's Canadian payment debentures.

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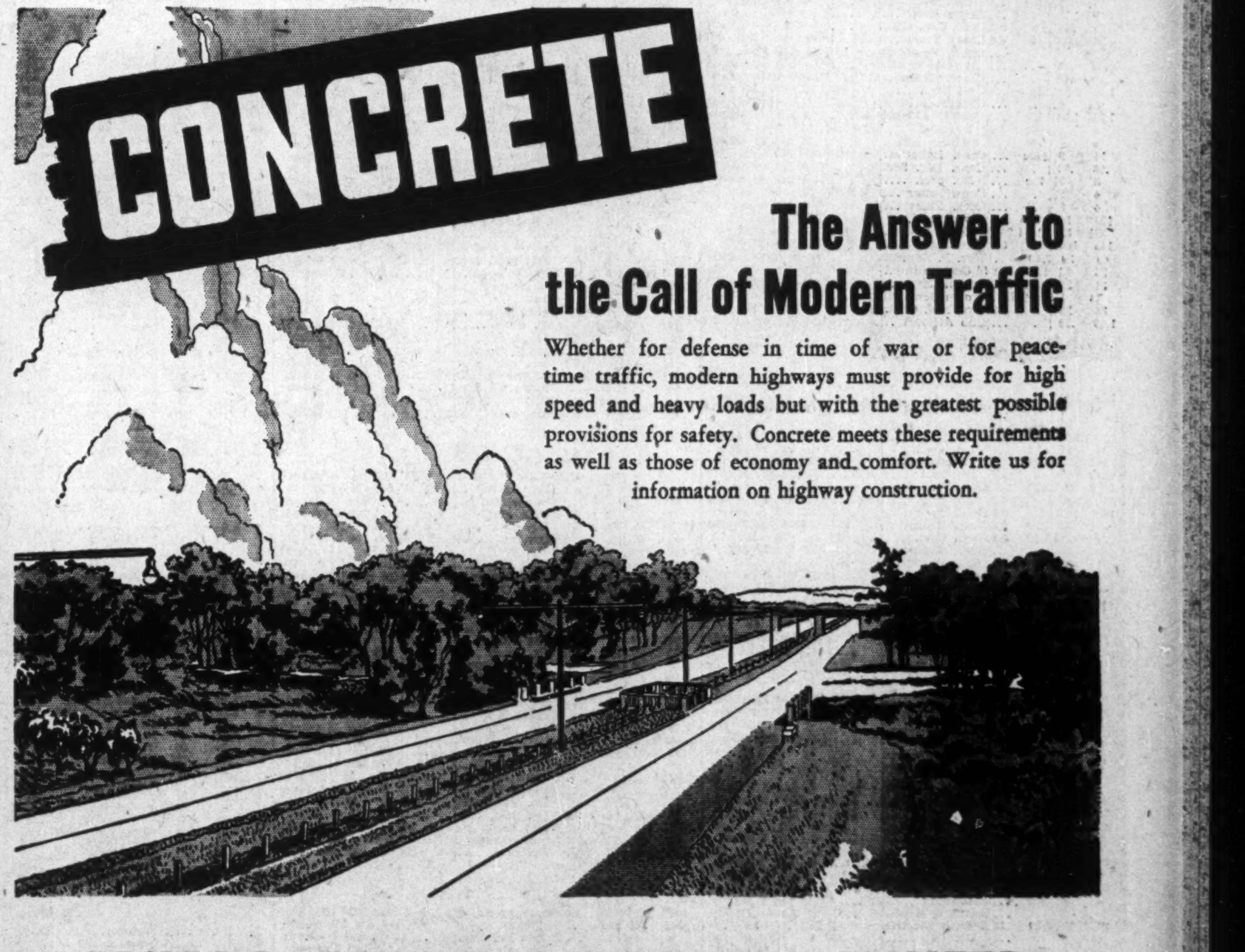

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THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING APRIL 28

Range 1941 High	Low	Div R'te $	Apr26 Y'ld %		Sales	Last Apr. 21	Week end. Apr. 28 H	L	Cl'se
				A					
.90	.50	.	...	Abitibi	1260	.65	.75	.50	.65
8	4	.	...	Do. pref. 6%	495	5¾	6	5¾	6
12½	10	.	...	Do. pref. 7%	....	(8¼ bid 12½ asked)			
3	1	.	...	Acme Glove	....	(1½ bid — asked)			
60	50	6.50	10.8	Do. pref.	....	(55 bid 60 asked)			
12	11½	80+20c	8.7	Agnew Surp.	....	(11½ bid 12 asked)			
108	105½	7	6.6	Do. pref.	....	105½ bid 106 asked			
1.50	.90	.	...	Alta. Pac. Gr.	....	(— bid .75 asked)			
30	24½	.	...	Do. pref.	35	25	25½	25	25½
10	7	.	...	Algoma Steel	90	8½	8½	8½	8½
97½	89½	2.50	2.8	Do. pref.	10	90	89½	89½	89½
115	105	8	7.5	Aluminium	216	105	106½	105	106½
120	117	6	5.1	Do. pref.	50	119	117	117	117
7½	6	.	...	Amal. Electric	....	(5¾ bid — asked)			
37	37	60c	...	Amer. Cyn. B.	....	(33 bid — asked)			
46	44½	2.75	6.2	Ang. Can. Tel. p	....	(40 bid 49 asked)			
18½	14¾	60+60c	6½	Asbestos	1538	18½	18½	17	17
15¾	14½	1	6.3	Assoc. Brew.	281	15¾	15¾	15¾	15¾
110½	108½	7	6.3	Do. pref.	....	(110½ bid — asked)			
•2	2	.	...	Assoc. T. & T.A.	....	(— bid 7 asked)			
§24	24	▲48c	...	Do. pref.	....	(— bid 24 asked)			
§103	101	5.50	5.3	Ault & Wiborg.	....	(100 bid — asked)			
				B					
147	140	8	5.5	Bk. Can. Nat.	....	(145 bid 150 asked)			
195	171	8	4.4	Bk. Montreal	67	181	182	180	181
285	277	12	4.3	Bk. N. Scotia	13	278	278	277	278
250	244½	10	4	Bk. Toronto	8	247	248	248	248
•5	4½	.	...	Barcelona	....	(— bid — asked)			
1.25	.55	.	...	Barker's Bread	....	(.35 bid 1.50 asked)			
22	22	2.50	11.3	Do. pref.	....	(— bid 21 asked)			
13	10¾	1	9.5	Bathurst Pr.	495	10½	10½	10½	10½
2½	1½	.	...	Do. (B)	100	1½	2	2	2
2½	2	.	...	Beath & Sons	....	(2½ bid 4½ asked)			
8	4½	.	...	Beatty Bros.	275	5½	6	5½	6
102¾	101	6	5.9	Do. pref.	5	101½	101½	101½	101½
§90	88	7	7.9	Do. 2nd pref.	....	(85 bid 90 asked)			
10½	6½	.	...	Beauharnois	1768	9½	10½	9½	9½
80	80	4	5	Belding Cort.	....	(— bid 90 asked)			
127	127	7	5.5	Do. pref.	....	(124 bid 136 asked)			
160½	149	8	5.3	Bell Telephone	764	154½	154½	149	149½
6½	5	30c	..	Bertram & Sons	....	(6½ bid — asked)			
8¾	7½	60c	8	Biltmore Hats	....	(7¾ bid 8¾ asked)			
6	5	.	...	Blue Ribbon	....	(— bid 6 asked)			
37½	32	2.50	7.2	Do. pref.	15	35	35	35	35
21½	20	1.30	6.1	Brant. Cord. pf	40	21½	21½	21½	21½
7¾	5	.	...	Brazilian Tr.	1481	5¾	6	5¾	6
5½	3½	50+10c	.	Brew. & Distil.	49	4½	4¾	4¾	4¾
6½	6½	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
§90	89	6	6.7	Do. pref.	....	(90 bid — asked)			
18¾	15½	1	6.1	Brit. Amer. Oil	1956	16¾	17	16¾	16½
12¾	10	.	...	B. C. Packers	140	11	10½	10	10
26½	22½	2	8.7	B. C. Power A.	315	23	23½	23	23
1.75	1.00	.	...	Do. (B)	20	1.75	1.75	1.75	1.75
6	4½	.	...	Bruck S. Mills	150	6	5	5	5
15¾	13¾	70+10c	5.3	Building Prod.	375	15	15½	14¾	15
10¾	7¾	60c	7.5	Burlington St'l	220	8½	8¾	8	8
				C					
§70	70	.	...	Calgary Power	....	(— bid 70 asked)			
102½	101	6	5.9	Do. pref.	....	(100 bid — asked)			
2½	2	.	...	Canada Bread	....	(2 bid 2½ asked)			
100	95	5	5	Do. pref.	....	(99 bid — asked)			
40	35	2.50	6.2	Do. pref. B.	15	35	40	40	40
4¾	3¾	40c	10.7	Canada Bud	25	4	3¾	3¾	3¾
7	4½	.	...	Canada Cement	375	5	5½	4¾	4¾
100	94	5	5	Do. pref.	73	98	98½	98	98½
5½	5½	10c	...	Can. Cr. Stone	....	(— bid 5 asked)			
105½	102¾	5	4.8	Canada Cycle, p	10	105	103¾	103¾	103¾
27	23½	1.50	6	C. & D. Sugar	320	26½	26	25	25
18	15	1.50	9.4	Can. Forg. (A)	5	16	16	16	16
§22	13	▲1.50	8.8	Do. (B)	....	(— bid — asked)			
§40	40	4.50	...	Can. Iron	....	(35 bid — asked)			
72	70	3	...	Do. pref.	....	(72 bid — asked)			
§390	390	20	5.1	Canada Life	....	(380 bid — asked)			
§4	1	.	...	Can. Mach'y	....	(3½ bid — asked)			
§32	25	▲3.50	...	Do. pref.	....	(98 bid — asked)			
39	33½	2+50c	6.8	Can. Malting	100	36	36½	36½	36½
8¾	6	1	...	Can. Nor. Pr.	75	7	6½	6½	6½
99	94	7	7.4	Do. pref.	10	96½	94	94	94
87½	77	3+1	5	Can. Packers	15	77	80	80	80
§.25	.25	.	...	Can. Paving, c.	....	(— bid .25 asked)			
136	121	8	6.5	Can. Perman.	3	121	122	122	122
9	8	▲1	...	Can. Starch	20	9	9	8	8
108	108	7	6.5	Do. pref.	8	..	108	108	108
5½	3	.	...	Can. Steamsh's.	596	4	4½	3½	4½
22½	16	2.50	13.7	Do. pref.	425	17¾	18½	17½	18½
8	6½	40c	5.3	Can. Vinegars	25	7½	7½	7½	7½
61	54	4	7	Can. W. Cable	5	58	57	57	57
23	17¾	▲1.25	6.9	Do. (B)	....	(8 bid — asked)			
107	107	6.50	6.1	Do. pref.	....	(107 bid — asked)			
¾	½	.	...	Can. Bakeries	135	¾	½	½	½
29	20	‡2	...	Do. pref.	50	22	29	26	29
163	149	8	5.3	Can. Bk. Com.	111	150	152	149	151
1.00	.50	.	...	Can. Breweries	1375	.75	.85	.80	.85
25	20	3	13.6	Do. pref.	30	22½	22½	22	22
36	34½	1.50+50c	6	Can. Bronze	....	(34½ bid — asked)			
105	103	5	4.8	Do. pref.	....	(105 bid — asked)			
6½	5	50c	...	Can. Canners	25	5½	5½	5½	5½
20	16	1+10c■	6.6	Do. 1st pfd.	30	19½	19½	19½	19½
10	8	60+10c■	8.7	Do. 2nd pfd	79	8¾	9	8	8
10	6	.	...	Can. Car & F'y	280	6	6½	6	6½
27½	19	44c	...	Do. pref.	115	21¾	22½	21½	21½
29	21	1	4.6	Can. Celanese	150	22	22½	21	21
124	113	7+60c■	..	Do. pr[illegible]	190	113½	115	115	115
23	22½	1	4.3	Do. [illegible]	....	(23 bid — asked)			
19	15	1	5.9	Can. Convert.	....	(16 bid 18 asked)			
106¾	90	4+2	5.7	Can. Cottons	10	106¾	105	105	105
117	105	6	5.2	Do. pref.	33	115	117	116	117
22	15½	.	...	Can. Dredge	100	19	16	15½	16
100	99½	6	6	Can. Fairb. pf.	16	99½	100	100	100
11	9	1.40	...	Can. For. Inv.	....	(9 bid 11 asked)			
105	104	8	7.6	Do. pref.	....	(105 bid — asked)			
220	210	8	3.7	Can. Gen. Elec.	....	(210 bid — asked)			
8½	7	50c	6.7	Can. G. Inv.	....	(— bid 7¾ asked)			
3	1½	10c	..	Can. Ind. Alc.	320	2½	2¾	2	2¾
2¾	1½	10c	..	Do. (B)	575	2	2	1¾	1¾
208	180	7	3.8	Can. Indust. B.	454	183	184	182¾	183½
176	167	7	4.2	Do. pref.	....	(168 bid — asked)			
§.30	.10	.	...	Can. Int. I. Tr.	....	(.30 bid .50 asked)			
50	41	2	4	Do. pref.	....	(40 bid 50 asked)			
14	12	1	7.4	Can. Lt. & Pr.	....	(13 bid 18 asked)			
9	7	.	...	Can. Locomo.	5	8½	8	8	8
.95	.65	4c	...	Can. Macaroni	50	.65	.75	.75	.75
17	12½	50+50c	6.7	Can. Oil	15	13	15	15	15
121	118	8	6.8	Do. pref.	5	118	118	118	118
6½	4½	.	...	Can. Pacific	5019	5	5½	5	5
.50	.10	.	...	C. Pr. & Pa. In.	....	(.25 bid .50 asked)			
2½	1¾	.	...	Do. pref.	10	2½	2½	2½	2½
3½	2	.	...	Can. Vickers	20	2½	2	2	2
15	10	.	...	Do. pref.	....	(11 bid 14 asked)			
9	9	1	...	C. Wallpaper A.	....	(9 bid 10 asked)			
9	8	1	...	Do. (B)	....	(9 bid 10 asked)			
45	42	‡1.37½	..	Can. West'ho'se	....	(— bid 45 asked)			
4	3¾	15c	...	Can. Wineries	....	(3¾ bid 4 asked)			
20½	18¾	1.50	7.9	Can. Wire Box	10	18	19	19	19
1.25	1.00	.	...	Capital Estates	....	(.85 bid 1.20 asked)			
119	119	5	4.2	Carnation, pfd.	....	(118 bid — asked)			
9½	7¾	50c	...	Catelli Food	....	(7½ bid 8¾ asked)			
10	9½	75c	7.5	Do. pref.	....	(— bid 10 asked)			
2.00	1.70	.	...	Celtic Knit.	....	(— bid — asked)			
155	155	8	5.2	Cent. Can. L'n.	....	(— bid — asked)			
92	90	4	4.4	Chart. Trust	1	90	90	90	90
.32	.15	.	...	Chem. Research	100	.15	.16	.16	.16
.40	.30	.	...	City Gas & El.	....	(— bid .40 asked)			
.10	.10	.	...	Claude Neon	....	(— bid .10 asked)			
1.50	1.25	12c	..	Coast Brew.	680	1.30	1.30	1.25	1.27
6½	4½	.	..	Cockshutt Plow	117	4½	4½	4½	4½
1.95	1.50	15c	..	Comm. Alcohol	....	1.50 bid 1.75 asked			
6	5	40c	8	Do. pref.	25	5½	5	5	5
4	4	‡25c	..	Conduits Nat.	....	(3½ bid 4½ asked)			
14	9	‡40c	...	Cons. Bakeries	530	9	10	9¾	10
.03	.02	.	...	Cons. Div. Sec.	....	(— bid — asked)			
8	7½	75c	...	Do. pref.	....	(7½ bid 14 asked)			
4	2½	.	...	Cons. Paper	2395	2¾	3	2¾	2¾
4	3	.	...	Cons. Press	....	(— bid 4¾ asked)			
§75	55	▲4.75	..	Cons. Sand, pf.	....	(75 bid 82½ asked)			
39½	33½	▲1+1.25	6.6	Cons. Smelt.	744	34½	34¾	33½	34
145	125	8	6.4	Consumers' Gas	208	126½	126½	125	125
40	30	3.50	...	Corr. P. Box, p.	....	(40 bid 62½ asked)			
25	22	1.20+15c	5½	Cosmos Imp.	300	23	24	24	24
31	27½	2	6.9	Crown Cork	25	28½	29	29	29
1½	1½	.	...	Crown Dom. Oil	....	(— bid 30 asked)			
33	28	3	9.9	Crow's N. Coal	5	30	33	33	33
1.05	.50	.	...	Cub Aircraft	....	(.55 bid .70 asked)			
				D, E					
10½	9¾	1	...	David & Fre. A	....	(— bid 12 asked)			
1.60	1.40	.	...	Do. (B)	....	(— bid 2 asked)			
8½	7	.	...	de Havilland	....	(7 bid — asked)			
75	75	▲7	...	Do. pref.	....	(— bid — asked)			
1.50	1.00	.	...	Disher Steel	....	1.10 bid 1.40 asked			
10	10	▲1.50	..	Do. pref.	....	(— bid 14 asked)			
28½	20	2.22	9.7	Distill-Seagram	425	21	21	20	20
97½	93	5	5.3	Do. pref.	....	(80 bid 92½ asked)			
§39¾	39¾	2.50	...	Dom. Ang. Inv.	....	(30 bid — asked)			
70	70	5	7.2	Do. pref.	....	(70 bid 84 asked)			
200	185	10	5.2	Dom. Bank	....	(187 bid — asked)			
27½	22	1.20	5.2	Dom. Bridge	957	23¾	23½	22	22½
21	17¾	1.50	8.1	Dom. Coal, pf.	24	19	19	18½	19
28	25	.	...	Dom. Engineer.	....	(20 bid 25 asked)			
24	17	1	5.2	Dom. Foundries	261	18½	19½	18½	18¾
107	105	6	5.7	Do. pref.	....	(106 bid 110 asked)			
126	115	5	4.3	Dom. Glass	....	(— bid 15 asked)			
155	148½	7	4.7	Do. pref.	....	(145 bid 150 asked)			
29½	29½	1.20+40	5.4	Dom. Oilcloth	....	(— bid 29 asked)			
.45	.45	.	...	Dom. Scot. Inv.	2	.45	.45	.45	.45
25	25	‡1.55	...	Do. pref.	....	(20 bid 27 asked)			
1¾	1¾	.	...	Dom. Square	....	(1¾ bid 2 asked)			
9¾	6¾	.	...	Dom. St. & C.B.	836	7	7	6¾	6¾
5½	3½	.	...	Dom. Stores	240	4½	4½	4	4½
5½	3½	.	...	Dom. Tar & Ch.	25	5	5	5	5
88	83½	5.50	6.5	Do. pref.	....	(— bid 87 asked)			
83	71	5	6.8	Dom. Textile	62	71	74	71	71
155	140	7	4.6	Do. pref.	5	152	155	155	155
1.75	.75	.	...	Dom. Woollens	....	(.50 bid 1.50 asked)			
8	6	60c	...	Do. pref.	100	6½	6¾	6¾	6¾
5¾	3	.	...	Donnacona P.A.	175	3¾	3¾	3½	3¾
5½	3	.	...	Do. (B)	50	3	3	3	3
5½	4	.	...	Dryden Paper	....	(4 bid 5 asked)			
.50	.50	.	...	East Koot. Pr.	....	(— bid 1.25 asked)			
10	7	.	...	Do. pref.	....	(8 bid — asked)			
.65	.25	.	...	East Dairies	50	.50	.50	.50	.50
9	5½	.	...	Do. pref.	....	(5½ bid 7 asked)			
13½	10	1	9.8	East Steel	100	11¾	11¾	10½	10½
§6½	6½	.	...	East Theat.	....	(— bid 7 asked)			
3	2¾	.	...	Easy Washing	..	(2½ bid 3 asked)			
23	22	1.37½	...	Economic Inv.	....	(21½ bid 26 asked)			
8	6¾	20c	...	Electrolux	....	(6¾ bid 7 asked)			
3	2	.	...	Enam. & Heat.	....	(1 bid — asked)			
29	23¾	2.50	10	English Electric	25	25	25	25	25
5¾	3	.	...	Do. (B)	36	4	4	4	4
5¾	5	15c	...	Equitable Life	....	(5½ bid 5¾ asked)			
				F, G					
3	2	.	...	Fairchild Air	60	2	2	2	2
20	18	1	5.6	Fam. Players	140	18	18	18	18
28	22¾	1.50+25c	7	Fanny Farmer	690	23	24½	23½	23½
6	3¾	.	...	Fleet Aircraft	205	4	4	3¾	3¾
§1.50	.75	.	...	Fleury Bissell	....	(.20 bid .75 asked)			
15	13	.	...	Do. pref.	....	(12 bid 14 asked)			
16½	14¾	1	6.4	Ford Motor A.	1444	15½	15¾	15¼	15½
15	15	1	6.7	Do. (B)	....	(15½ bid — asked)			
§.20	.05	.	...	For. Pr. Secs.	....	(— bid — asked)			
12½	10¾	50c	...	Foundation Co.	70	11½	11½	11	11
9	4½	.	...	Fraser Cos.	..	(7 bid 8½ asked)			
10½	7	.	...	Do. Vot. Tr.	40	8	8	8	8
§.50	.50	.	...	Freiman	....	(— bid — asked)			
42	41	.	...	Do. pref.	....	(41 bid — asked)			
9¾	6½	80c	10	Gatineau Pwr.	85	7½	8	7½	8
90	79	5	6.2	Do. pref.	10	80	80	80	80
95½	85	5.50	6.3	Do. 5½% pref.	....	(— bid 97 asked)			
1.25	.25	.	...	Do. Rights	....	(.10 bid .95 asked)			
6½	4½	.	...	Gen. St. Wares	745	4½	4¾	4½	4½
94	88	7	...	Do. pref.	20	89	89	89	89
80	67¾	2.50+1.50		Goodyear Tire	50	68	68	68	68
56	53	2.50	4.6	Do. pref.	6	54½	54	54	54
•50	50	1	...	Gould Pumps, p	....	(— bid — asked)			
4	2½	.	...	Gt. Lakes Pap.	....	(2¾ bid 3½ asked)			
§29	18½	25c	..	Do. pref.	....	(— bid 21 asked)			
3½	1¾	.	..	Do. Vot. tr. c.	300	3	3½	3	3
19¾	14½	25c	..	Do. Vot. tr. p.	....	(15½ bid 16¾ asked)			
5	1¾	.	...	Gt. W. Saddlery	100	4	4½	4	4½
30	25	2.25	...	Do. pref.	....	(25 bid 30 asked)			
11½	10	60c	5.6	Greening Wire	100	10¾	10	10	10
§1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
4½	2½	.	...	Gurd, Chas.	....	(3¾ bid — asked)			
§107½	106½	.	...	Do. pref.	....	(— bid 106 asked)			
3½	2½	.	...	Gypsum, Lime.	440	3	3½	2¾	3
				H, I					
§21½	21½	1	...	Halifax Fire	....	(— bid — asked)			
5½	2¾	.	...	Ham. Bridge	136	3½	3	3	3
36	34½	2+1.50▲	5½	Ham. Cot., pf.	....	(35½ bid — asked)			
.75	.75	.	...	Ham. U. Theat.	....	(.55 bid .75 asked)			
72	65	‡1.25	..	Do. pref.	....	(72 bid — asked)			
3½	2½	20+5c	...	Harding Carpet	....	(2¾ bid — asked)			
.25	.25	.	...	Hillcrest Coll.	....	(.25 bid — asked)			
3½	2½	.	...	Do. pref.	20	2½	3½	3½	3½
10½	8½	50c	5.6	Hinde & Dauch	....	(9 bid 9½ asked)			
•20	20	.	...	Holt Renfrew	....	(— bid 14 asked)			
35	35	.	...	Do. pref.	5	..	35	35	35
17½	14	2	13.8	Honey Dew	163	14½	15¾	15½	15¾
14¾	10½	.	...	H. Smith Pap.	5	11	12	12	12
101	98½	6	6.1	Do. pref.	50	100	99	99	99
18	14½	1	6.7	Humberstone S.	....	(14 bid 15 asked)			
4½	3½	.	...	Hunts (A)	....	(3½ bid 5 asked)			
5	2	.	...	Do. (B)	....	(3½ bid 8½ asked)			
56	52	4	7.5	Huron & E. Mt.	....	(54½ bid 63½ asked)			
9	8	80c	...	Do. 20% pd.	....	(9¾ bid 11 asked)			
.80	.75	.	...	Hydro Electric	....	(.75 bid 1.50 asked)			
205	192	10	5.1	Imperial Bank	8	195	196½	196½	196½
10½	9	50c	5.4	Imperial Oil	3221	9½	9½	9	9½
14	11	40+22½c	5	Imperial Tob.	910	12¾	12¾	12¾	12¾
8	7	6%	4	Do. pref.	....	(7½ bid 7¾ asked)			
16	12½	▲1.75	..	Indust. Accept.	65	13	12½	12½	12½
§36	25	3	...	Inter-City Bak.	....	(20 bid 36 asked)			
50	50	3+1		Inter'c Coal	....	(— bid — asked)			
§120	120	8	6.7	Do. pref.	....	(— bid — asked)			
16¾	14½	1.50	10	Inter. Bronze	65	14½	15	15	15
25	20	1.50	7.5	Do. pref.	12	23	24	20	20
.25	.25	3c	...	Int. Coal & C.	....	(.25 bid .40 asked)			
9½	6	.	...	Int. Metal Ind.	240	7½	7¾	7½	7½
105	93	6+3▲	6	Do. pref.	....	(97 bid 100 asked)			
100	93½	6+3▲	6.4	Do. pref. A.	....	(92 bid 100 asked)			
115¾	112½	5	4.4	Int. Mill., pf.	205	113	113¾	112½	112¾
36¾	31	2	6.2	Int. Nickel	3321	32	32½	32	32
2½	2			Int. Paints	....	(2½ bid 3½ asked)			
§18	11	1+25c▲		Do. pref.	....	(13½ bid 20 asked)			
16½	14½	.	...	Int. Pap. & P.	5	14½	15	15	15
74¾	68	5+1.25▲	7	Do. pref.	50	71½	68	68	68
15¾	13¾	1	7	Int. Pete.	2000	13¾	14¾	13¾	14½
3½	2½	.	...	Int. Power	....	(2½ bid — asked)			
89	84	7	8.3	Do. pref.	....	(— bid 86 asked)			
•11¾	10½	.	...	Int. St. Rlty. A.	....	(— bid 10 asked)			
•4	3¾	.	...	Do. (B)	....	(— bid 4 asked)			
7	5	.	...	Int. Util. (A)	....	(6 bid 10 asked)			
.25	.10	.	...	Do. (B)	....	(.15 bid .20 asked)			
				J, K, L					
13	13	68c	5.2	Jam. Pub. Ser.	....	(— bid 13½ asked)			
§135	128	7	5.5	Do. pref.	....	(— bid 128 asked)			
11	8	1	...	Kelvinator	....	(9½ bid 10½ asked)			
11	6¾	.	...	L. St. John Pr.	10	8	8½	8½	8½
1.00	.65	.	...	Lake Sulphite	....	(— bid .90 asked)			
16	11½	▲1	...	Lake of Woods	60	13½	13	12¾	13
113	110	7	6.4	Do. pref.	....	(110 bid — asked)			
53	44	4	8.9	Landed Bank	10	45	45	45	45
12	10	70+12½c		Lang, J. A.	30	10	11½	11½	11½
•3½	2½	.	...	Langley's	....	(½ bid 1 asked)			
25	15	2	...	Do. pref.	....	(24 bid 30 asked)			
10½	9	80c	8.9	Laura Secord	445	9½	9½	9	9½
12	6½	.	...	Legare, pref.	5	9	9	9	9
3½	3	▲15c	...	Levy Bros.	....	(2¾ bid — asked)			
6½	4½	.	...	Lindsay, C. W.	....	(4½ bid 6½ asked)			
50	50		...	Do. pref.	....	(40 bid 55 asked)			
27	24	1+25c	4.9	Loblaw (A)	270	25½	25¾	25½	25½
26	22	1+25c	5.4	Do. (B)	645	23½	23½	23	23½
				M					
1.00	1.00	.	...	Mackenzie Air	600	1.00	1.00	1.00	1.00
2	2	.	...	Mackin. Steel	....	(— bid 4 asked)			
55	55	1.25		Do. pref.	....	(— bid 75 asked)			
15¾	11	.	...	Maclaren Pr. p.	....	(12½ bid 13½ asked)			
8½	7	.	...	M. L. Gardens	....	(8½ bid 10 asked)			
7½	6	70c	10.8	Do. pref.	....	(6½ bid 7 asked)			
2¾	1½	.	...	Maple Leaf M.	100	1½	1½	1½	1½
4¾	2½	.		Do. pref.	....	(2½ bid 4 asked)			
16½	15	70+10c	..	Maritime Tele.	35	16½	15	15	15
§17½	16	70c	4.4	Do. pref.	....	(— bid — asked)			
14¾	14¾	.	...	Marcus Loew's	....	(15½ bid — asked)			
•100	100	7+1.75▲		Do. pref.	....	(— bid — asked)			
3¾	2	.	...	Massey-Harris	425	2¾	2¾	2½	2¾
37	25	.	...	Do. pref.	175	32½	33	32½	32½
5¾	4	.	...	McColl Fron.	55	4½	4½	4½	4½
98	92	6	6.4	Do. pref.	30	92	94	93	93
1.25	.75	.	...	Melchers	....	1.00 bid 1.50 asked			
5½	5	30c	...	Do. pref.	6	5	5½	5½	5½
•1½	1½	.	...	Mercantile Tran	....	(13½ bid — asked)			
•5	5	6%	...	Do. pref.	....	(4½ bid — asked)			
7½	4½	.	...	Mercury Mills	15	5	4½	4½	4½
47	45	2.50	5.6	Mitchell, J. S.	....	(— bid 50 asked)			
9½	7½	▲50c	...	Mitchell, Robt.	10	8½	9	8	9
16¾	15	80+40c	7½	Mod. Contain.	....	(15½ bid 15¾ asked)			
98	98	5.50	5.6	Do. pref.	....	(— bid 100 asked)			
§6	2	.	...	Monarch Knit.	....	(2 bid — asked)			
75	75	7	...	Do. pref.	....	(50 bid 65 asked)			
64	55	4	6.7	Montreal Cot.	....	(60 bid — asked)			
§118	113	7	6.2	Do. pref.	....	(113 bid — asked)			
1.00	.30	.	...	Mont. Is. Pr.	....	(.25 bid — asked)			
29½	20½	1.50	6.7	Mont. L. & Pr.	4138	21½	23½	21¾	22½
50½	48¾	.	...	Do. Notes	70	48¾	48¾	48¾	48¾
§15	15	1.25	...	Montreal Loan	....	(.15 bid — asked)			
§.85	.16	.	...	Mtl. Refrig & S	....	(.50 bid .75 asked)			
§10½	6	1.25	...	Do. pref.	....	(9½ bid 11½ asked)			
30	25	3.20	12.3	Montreal Tele.	....	(26 bid 30 asked)			
52	20	.	...	Montreal Trams	120	25	25½	25	25
47½	41	2+60c	5.6	Moore Corp.	203	45	46	45	45
188	179	7	3.8	Do. pref. (A)	66	182	183	180	180
279	266	7	2.6	Do. pref. (B)	....	(269 bid — asked)			
.05	.05	.	...	Muirheads	....	(— bid .15 asked)			
§1	1	.	...	Do. pref.	....	(— bid — asked)			
				N, O					
27½	21½	2	8.9	Nat. Breweries	885	23½	23½	21½	21½
38¾	35	1.75	4.9	Do. pref.	....	(36 bid 37 asked)			
5	3¾	.	...	Nat. Grocers	115	4	3¾	3¾	3¾
25½	24½	1.50	6	Do. pref.	3	25	24½	24½	24½
7½	7	.	...	N. Sew. Pipe A.	....	(7 bid 8 asked)			
38½	30¾	2	5.4	Nat. Steel Car.	505	36½	37	35½	35½
150	150	8	5.3	National Tr.	....	(140 bid 150 asked)			
§9½	9½	▲60c	..	Neon Prod.	....	(— bid — asked)			
25½	20	2	10	Niag. W. Weav.	15	20	20	20	20
3	2½	.	...	Noorduyn Av.	100	2½	2½	2½	2½
.90	.40	.	...	North Star Oil	....	(.40 bid .90 asked)			
3¾	3½	35c	...	Do. pref.	75	3½	3½	3½	3½
86	86	6	7	N. S. L. & Pr.	....	(— bid — asked)			
107	106	6	5.6	Do. pref.	....	(— bid — asked)			
21½	19½	1	4.9	Ogilvie Flour	395	21	20½	19½	19½
155	155	7	4.5	Do. pref.	5	155	155	155	155
106¾	105	5	4.8	Ontario Loan	....	105½ bid 111½ asked			
§5½	2	.	...	Ont. Silknit	....	(— bid 4½ asked)			
45	35	1	...	Do. pref.	....	(— bid 39 asked)			
7	7	1	...	Do. Scripts	6	7	7	7	7
10	8½	‡25c	..	Ont. Steel	....	(— bid 10 asked)			
§115	110	7	6.1	Do. pref.	....	(— bid 120 asked)			
2.00	1.25	.		Orange Crush	400	1.25	1.25	1.25	1.25
6½	5½	70c	12.7	Do. pref.	....	(4 bid 6½ asked)			
8½	5	20c	...	Ott. Car Air	....	(— bid 10 asked)			
16	14	1.20	...	Ottawa El. Rly.	....	(— bid 16½ asked)			
11	6	40c	...	Ott. L. H. & Pr.	5	7½	6	6	6
99	95	5	5.1	Do. pref.	....	(— bid 98½ asked)			
				P, Q, R					
23	23	3c	...	Pacific Coyle	....	(25 bid — asked)			
105	95½	5	5.1	Page Hersey	75	95½	98¾	98	98
§6	3¾	.	...	Pantepec Oil	....	(— bid — asked)			
30	30	2	6.7	Paton Mfg.	....	(25 bid — asked)			
§115	115	7	6.1	Do. pref.	....	(110 bid 120 asked)			
50	49	3	6	Penmans	5	50	50	50	50
123	120	6	5	Do. pref.	....	(120 bid — asked)			
16½	14½	▲1+50	9.4	Photo Eng.	10	16	16	16	16
99	95½	7	7.1	Porto Rico Pr p	....	(96 bid 100 asked)			
6	3¾	15c	...	Power Corp.	45	4	3¾	3¾	3¾
98	89	6	6.7	Do. pref.	10	91	89	89	89
43	35½	3	8.5	Do. 2nd pref.	....	(— bid 25 asked)			
9½	8	1	...	Pressed Metals	70	8½	8	8	8
12½	9	.	...	Price Bros.	170	9	9½	9	9½
70	65	5.50	8.5	Do. pref.	....	(60 bid 65 asked)			
7	6	40c	6.7	Prov. Transport	....	(6½ bid 6½ asked)			
14½	10½	1	8.3	Quebec Power	61	11¾	12	11¾	11¾
4	4	.	...	Que. Telephone	....	(4 bid — asked)			
24	24	2	8.3	Real Estate L'n	....	(24 bid 28 asked)			
5	5	25c	...	Regent Knit	....	(4¾ bid 5 asked)			
18	17	1.60	9.3	Do. pref.	....	(17 bid 18 asked)			
4½	4½	.	...	Reliance Grain	....	(2½ bid 4 asked)			
§66	64	6.50	10	Do. pref.	....	(55 bid 65 asked)			
17	15½	2	12	River S. Mill	....	(18 bid 24 asked)			
5¾	2	.	...	Rogers Majest.	2215	5½	5¾	5¾	5¾
§19½	12	60c	...	Rolland Pap.	....	(9 bid — asked)			
11	9	60c	6.7	Do. Vot Trust	25	9	9	9	9
95	93½	6	6.4	Do. pref.	....	(93½ bid — asked)			
167½	148	8	5.2	Royal Bank	57	153	153	152	152½
16	14	80c	5.2	Russell Indust.	....	(15½ bid 16½ asked)			
160	145	7	4.7	Do. pref.	25	150	150	150	150
				S					
107	103	5.50	5.3	Saguenay Pr. p.	5	103	103	103	103
34½	34½	25c	..	Sangamo	....	(— bid 33½ asked)			
9	6½	.	...	Sarnia Br. (A)	....	(6½ bid 7 asked)			
§2¾	1½	.	...	Do. (B)	....	(1 bid 2 asked)			
17	13	90c	6.8	Shawinigan	555	13½	13¾	13	13½
12½	8½	.	...	Sher. Wms.	15	8½	8½	8½	8½
115	109	7+1.75▲	6	Do. pref.	47	8½	109	109	109
4½	3	.	...	Silverwoods	....	(3½ bid 5 asked)			
6½	5½	40c	...	Do. pref.	....	(5½ bid 5¾ asked)			
6½	5¾	60c	11.1	Simon & Sons	5	5¾	5½	5½	5½
106	105	7	6.7	Do. pref.	11	106	105	105	105
11	9	.	...	Simpson, A.	....	(9 bid 11 asked)			
5	3	.	...	Do. (B)	....	(— bid 5 asked)			
100	91	6.50	[illegible]	Do. pref.	90	92½	92½	91	91

Winnipeg Stocks

(Transactions from Apr. 21 to Apr. 26)

	Sales	High for period	Low for period	Close Apr. 26
Central Manitoba	1,000	.02½	.02½	.02½
Sachigo River	3	2.25	2.25	2.25
United Grain Growers	35	10.25	10.00	10.25
Western Breweries	250	1.65	1.65	1.65
Western Steel	10	6.00	6.00	6.00
Wingold	2,100	.08½	.06	.06

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Fed. Grain, c.	.50	..
Beav. Lumber, c.	..	5	Fed. Grain, pf.	27	30
Beav. Lumber, p.	102	105	Home Invest.	14	..
Can. Airways	1	..	Nor. Can. Mtg. p.	5	..
Can. Indemnity	150	..	North. Trusts	7	..
Cres. Cream., p.	11½	15	Traders Bldg.	43	..
Dom. Envelope c	..	8½	West. Grain, p.	..	9
Dom. Envelope p	92½	97½	Wings	.15	.75

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Apr. 29	8,263	21,803	94,000	......
Apr. 28	7,000	2,500	115,000	12,650
Apr. 26	2,800	4,900	79,000	7,800
Apr. 25	5,600	9,000	85,000	6,740
Apr. 24	5,200	2,100	96,000	12,678
Apr. 23	7,900	5,300	129,000	5,730

Dividends Declared

	This payment	Date payable	Date of record
w Surpass, p.	$1.75	July 2	June 16
r Gold	4c	June 2	May 10
-Can. Tele. p	68¾c	May 1	Apr. 15
ninium	$2	June 5	May 15
., pref.	†$1.50	June 1	May 10
k of Montreal	$2	June 2	Apr. 30
den Co.	30c	June 2	May 15
k of Toronto	$2.50	June 2	May 15
tram & Sons	15c	Aug. 15	Aug. 1
ffalo Ankerite	▪10c	May 6	Apr. 22
hurst Pr. P.A.	25c	June 2	May 15
ewers & Distil., p.	*50c	May 20	Apr. 26
o., bonus	*10c	May 20	Apr. 26
. Can. Nationale	$2	June 2	May 15
nada Cement, p.	$1.25	June 20	May 30
n. Cr. Stone	10c	June 30	June 15
anada Dry	†15c	June 24	June 10
an. Ind. Alc'l. A B	10c	June 2	May 15
an. W. & Cable, A	$1	June 15	May 31
Do., B	50c	June 15	May 21
Do., pref.	$1.62½	June 15	May 31
an. Marconi	4c	June 1	Apr. 15
el. of Am., pr. pf.	$1.75	July 1	June 17
Do., part. pref.	†$3.50	June 30	June 17
Corr. Pap. Box, p.	$1.75	June 1	May 15
Do.	$1.75	June 1	May 15
Corr. Pap. Box, p	$1.75	June 1	May 15
Do.	$1.75	June 1	May 15
Canadian Oil, c.	12½c	May 15	May 1
Do., extra	12½c	May 15	May 1
Commoil	1c	May 26	May 15
Commonw'th Pet.	2c	June 2	May 10
Crown Cork	50c	May 15	Apr. 30
Commonw'th Intnl.	4c	May 15	Apr. 15
Cosmos Imperial	30c	May 15	Apr. 30
Can. Bakeries, pfd.	$2	June 1	May 22
Can. Ins. Shares	$1	May 10	Apr. 30
Can. Fairbanks, c.	50c	May 15	Apr. 30
Corporate Inv.	5c	May 15	Apr. 29
Do., extra	3c	May 15	Apr. 29
Can. For. Invest. p.	▪$2	July 1	June 15
Con. Div. S. Sec. p	37½c	June 16	May 31
Dome Mines	▪50c	July 21	June 30
Dom. Bridge	30c	May 23	Apr. 30
Dom. & Ang. Inv.	$2.50	June 2	May 15
Do., pref.	$1.25	June 2	May 15
Dom. Scot. Inv. p.	▪$1.05	June 2	May 20
Ford Motor, A. B	25c	June 21	May 31
Gold Belt Mining	2c	May 15	Apr. 30
Granby Cons.	†15c	June 2	May 17
Hedley Mascot	2c	May 15	Apr. 24
Hallnor Mines	15c	June 2	May 10
Hollinger Cons.	5c	May 20	May 6
Inspiration Min.	▴2c	May 30	May 1
Island Mtn. M.	8c	May 15	Apr. 30
Italo-Arg. Elec.	*p3.50	May 10	....
Leitch Gold	2c	May 15	Apr. 30
Loblaw Groc., A, B	25c	June 2	May 10
Do., extra	12½c	June 2	May 10
Lake of W. Mill.	50c	June 2	May 15
Do., pref.	$1.75	June 2	May 15
Little Long Lac	10c	May 23	May 8
McIntyre Porc.	55½c	June 2	May 1
Mod. Contain.	20c	July 2	June 20
Do., extra	10c	July 2	June 20
Do., pref.	$1.37½	July 2	June 20
Mtge. Corp. N.S.	$1.25	May 1	Apr. 24
Noranda Mines	$1	June 16	May 20
Ontario Steel	25c	May 15	May 5
Do., pref.	$1.75	May 15	May 5
Privateer Mine	3c	May 10	Apr. 25
Do., extra	1c	May 10	Apr. 25
Pamour Porc.	6c	June 2	May 10
Penmans	75c	May 15	May 5
Pressed Metals	†25c	June 2	May 15
Pac. Pr. & Water, p.	75c	May 1	Apr. 20
Provincial Bank	$1.50	June 2	May 15
Quebec Power	25c	May 26	Apr. 28
Royal Bank	$2	June 2	Apr. 30
Regent Knit, pref.	‡40c	June 1	May 15
Rolland Paper	15c	May 15	May 4
Do., pref.	$1.50	June 2	May 15
South. Can. Pr.	20c	May 15	Apr. 30
South Amer. Gold	†10c	May 7	Apr. 25
Shawinigan W.	22c	May 26	Apr. 23
Sylvanite Gold	7c	June 30	May 5
Toburn Gold	3c	May 22	Apr. 22
Do., extra	2c	May 22	Apr. 22
Un. Gold Eq. st. c.	6c	June 30	June 16
Union Gas	20c	June 14	May 20
Do., extra	20c	June 14	May 20
United Corp. A	37c	May 15	Apr. 30
Upper Can. Mines	4c	May 31	May 15
Waite Amulet	10c	June 16	May 20
Walker-Good.	$1	June 16	May 23
Do., pref.	25c	June 16	May 23
Wilsil	25c	July 1	June 14

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board.
▴Initial.
‡40c also payable Sept. 1 and Dec. 1.
*Subject to approval at annual meeting.
*Less 5% Argentine tax.

Mining Dividends

	Rate	Close Apr. 28	Yield %
Anglo-Huronian	‡10c	2.25	..
Aunor Gold	▴8c	1.75	..
Beattie Gold	‡16c+8c	1.09	*16.5
Bralorne	80c+40c	9.80	*12.2
Broulan Porc.	12c	.83	14.4
Buffalo Ankerite	▴10c	3.50	..
Bulolo Gold	$3	16.50	18.2
Can. Malartic	8c	.53	..
Cariboo Gold	16c+8c	2.50	*9.6
Central Patricia	16c+4c	1.72	*11.6
Chesterville	5c	1.29	..
Cochenour Willans	3c	.70	..
Coniagas	‡25c	1.50	..
Coniaurum	‡16c+2c	1.25	*14.4
Cons. Smelters	$1+$1.25	34.00	*6.6
Delnite	‡6c	.90	6.7
Dome Mines	$2	21.25	9.4
East Malartic	‡30c	2.35	12.7
Falconbridge	5c	2.50	..
Francoeur Gold	†3c	.40	..
God's Lake	‡2½c	.25½	..
Goldale	‡2c	.12	..
Gold Belt	▴2c	.28	..
Grandview	†.00½	.12	..
Gunnar Gold	6c	.25	..
Hallnor	60c	5.00	12
Hard Rock	‡10c	.73	..
Hedley Mascot	▴4c	.50	..
Hollinger	65c+45c	12.75	*8.6
Howey Gold	2c	.24	..
Hudson Bay	‡$2	25.63	7.7
Inspiration	†2c	.26	..
Inter. Nickel, com.	$2	32.00	6.2
Island Mountain	▴8c	.90	..
Kerr Addison	†15c	3.95	..
Kerr Lake	‡10c	.41	..
Kirkland Lake	10c+2c	.82	*14.6
Kootenay Belle	▴4c	.25	..
Lamaque Gold	‡40c+10c	4.20	*11.9
Lake Shore	$2	18.75	10.7
Leitch	8c	.48	16.7
Little Long Lac	‡30c	1.90	..
Macassa	32c+3c	3.80	*9.2
Madsen R. Lake	6c	.59	..
McGillivray Coal	‡3c+1c	.21	..
McKenzie Red L.	▴12c	1.02	11.7
McWatters	10c	.19	..
Moneta	12c	.46	..
McIntyre-Porc.	$2.22+$1.11	47.87	*6.2
MacLeod-Cockshutt	‡20c	1.65	..
Naybob Gold	4c	.25	..
Nipissing	15c	1.10	..
Noranda	$4	52.25	7.6
North Empire	20c	5.00	..
O'Brien Gold	‡10c	.60	..
Pamour Porc.	12c	1.20	10
Pato Cons.	20c	2.65	..
Paymaster	‡1c	.19½	..
Perron Gold	16c+4c	1.35	*14.8
Pioneer, B.C.	40c	2.05	19.4
Pickle Crow	40c	2.45	16.3
Placer Develop.	$1.20	9.50	12.6
Premier	12c	.92	13
Preston E. Dome	20c+7½c	2.99	*9.2
Privateer Mines	▴6c+2c	.46	..
Powell Rouyn	‡10c	.65	..
Quebec Gold	‡2c	.22	..
Relief Arlington	‡5c	.01½	..
San Antonio	14c+6c	2.30	*8.7
Sheep Creek	16c	.75	..
Sherritt Gordon	10c	.66½	..
Sigma Mines	‡45c	7.15	..
Silbak Premier	16c	.74	..
Siscoe	‡11½c	.65	17.6
Sturgeon River	4c	.18	..
Sudbury Basin	‡2½c	1.18	..
Sullivan Cons.	▴3c	.55	..
Surf Inlet	‡1½c	.12	..
Sylvanite Gold	▴14c	2.46	..
Teck-Hughes	40c+5c	3.10	*14.5
Toburn	12c+8c	1.70	*11.8
Upper Canada	▴7c	1.87	..
Ventures	15c	3.30	..
Waite Amulet	‡10c	3.10	..
Wendigo	3c	.20	..
Wright-Harg.	‡40c+30c	5.40	*12.9
Ymir Yankee	2c	.05	..

*Yield including bonus. †Initial.
‡Paid in 1940.
‡Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.
▴Paid or declared payable in 1941 to date.

DIVIDEND NOTICES

Little Long Lac Gold Mines Limited

36 King Street West - Toronto, Ontario

DIVIDEND NOTICE
DIVIDEND NO. 17

NOTICE IS HEREBY GIVEN that a dividend of 10c per share has been declared by the Directors of Little Long Lac Gold Mines Limited, payable in Canadian funds on May 23rd, 1941, to shareholders of record at the close of business May 8th, 1941.

By order of the Board.
G. G. BLACKSTOCK,
Secretary-Treasurer.

April 24th, 1941.

For Sale
2,000 Stop & Shop
3's—47 at 61 and
interest yielding about 11%
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 215

NOTICE is hereby given that a dividend of two per cent (being at the rate of eight per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the second day of June next, to shareholders of record at the close of business on the 30th day of April, 1941.

By order of the Board.
S. G. DOBSON
General Manager.

Montreal, Que., April 15, 1941.

Borden's

COMMON DIVIDEND
No. 125

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable June 2, 1941, to stockholders of record at the close of business May 15, 1941. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 54

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the company on June 21, 1941, to shareholders of record at the close of business May 31, 1941.

D. B. GREIG,
Secretary.

Windsor, O.
April 28, 1941.

SYLVANITE GOLD MINES LIMITED

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 43.

TAKE NOTICE that a regular quarterly Dividend of 7% (i.e. seven cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 43.

Such Dividend will be payable June 30th, 1941, to Shareholders of record at the close of business May 5th, 1941.

In the case of Share Warrants such Dividend will be payable on or after June 30th, 1941, in respect of the shares specified therein, upon presentation and delivery of Coupon No. 43 at: The Canadian Bank of Commerce, Toronto, or any Branch of said Bank in Canada (far Northern Branches excepted), or Liberty Bank of Buffalo, Buffalo, N.Y.

By Order of the Board.
W. S. WALTON, Secretary.

TORONTO, April 24th, 1941.

Surf Inlet Consolidated Gold Mines Limited

(Non Personal Liability)

Notice of Interim Dividend No. 2

NOTICE is hereby given that a dividend of one cent per share, payable in Canadian funds, was declared and will be paid, subject to approval of the Foreign Exchange Control Board of Canada, on May 30, 1941, to shareholders of record as at May 15, 1941.

Persons holding certificates not registered in their name, commonly known as "Street" certificates, should have them registered in their name by the Company's Transfer Agents, The Yorkshire & Canadian Trust, Limited, at their office, 525 Seymour Street, Vancouver, B.C., or The Toronto General Trusts Corporation, at their office, Bay and Melinda Streets, Toronto, Ontario, Canada, on or before the 15th day of May, 1941.

By Order of the Board.
CHARLES K. MOFFLY,
Secretary.

April 28, 1941.

DIVIDENDS, MEETINGS, ETC.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the Preferred shares of the Company, payable on June 2nd, 1941, to shareholders of record at the close of business on May 15th, 1941.

By order of the Board,
D. A. MacINNES,
Secretary.

NOTICE IS HEREBY GIVEN that a dividend of 50 cents per share has been declared on the outstanding shares of the Common Stock of the Company, payable on June 2nd, 1941, to shareholders of record at the close of business on May 15th, 1941.

By order of the Board,
D. A. MacINNES,
Secretary.

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of May, 1941. This dividend, bearing the number 201, will be payable at the Main Office or at the branches of the bank, on or after the 2nd day of June, 1941, to the shareholders of record on May 15th.

By Order of the Board,
CHARLES ST-PIERRE,
General Manager.

Flour Mills Operations Fall Away

Still Above Pre-War Level, But Running Under High Level of Last Year

From Our Own Correspondent

MONTREAL. — Canada's flour milling industry has its own problems these days. The industry is doing a job in meeting the demands at home, in the United Kingdom, Newfoundland, West Indies and other markets open to Canadian trade, but it is not booming.

Wheat grindings to the end of March—the first seven months of the current year—were less than for the like period of the previous year. This largely reflects the drop in export trade. Shipments overseas have been spasmodic, depending upon availability of shipping space.

Domestic business also has been somewhat unsatisfactory. The pick-up in industrial operations has not much affected the sale of flour. Bakers and others entered the current crop year with relatively large stocks. This reflected the action of the mills in loading up bakeries with supplies in anticipation of the processing tax. Moreover the imposition of this tax brought about chaotic conditions in the milling and baking trades; a condition from which they have not yet fully recovered.

This milling year operations have been subject to wide fluctuations. At times the mills have been running wide open; again, they have had little demand to meet. On balance production and sales to date run about 11% under those for the same period in 1939-1940. Against this it must be considered that last year was an abnormally good one. Compared with 1938-39, which was a more normal year, current production and sales are running well ahead.

Earnings this year, in comparison with those of a year ago, may not be as large. The drop in the ratio of operations has a strong bearing on unit costs. On the other hand, the decline means savings in other directions. As yet it is still too early to make definite forecast as to likely outcome of net profits this year. A decrease from last year's high would not be unexpected.

Beauharnois Awaits Steps To Expropriate

From Our Own Correspondent

MONTREAL.—Reports of Beauharnois Light, Heat and Power Co. more or less stopping all capital work pending outcome of the Government's announced intention of expropriating the property, are officially denied. The regular development programme is under way. The canal is being dredged and installation of the new units is expected by end of the year.

Though no change has taken place in Beauharnois development programme, there are other stories going the rounds to the effect the Quebec Government is not too happy over the deal it entered into with the Federal Government on the St. Lawrence Waterways.

Having Second Thoughts

Opinion is growing the province did not come out of the Ottawa-Toronto-Washington deal as well as was at first proclaimed by Premier Godbout and that Ontario got much the better of the deal.

The proposed expropriation of Beauharnois will give the province one of the largest power plants in Quebec, but it will also cost the Government over $500,000 a year now being received in taxes and royalties. Moreover acquisition of the plant does not mean lower rates as promised by the Premier.

If lower rates are to be effected then, it is pointed out, the province already has the means of enforcing them through the Provincial Electricity Board. This would eliminate expense and bother of expropriating Beauharnois which was set up as a wholesaler and not a retailer of power.

Expect Opposition

Another matter of interest is the expected opposition in the provincial legislature to the Beauharnois expropriation plans. When the bill, which is expected to be brought down during the present session, comes up for discussion a lengthy debate is in prospect. The opposition forces under the leadership of Maurice Duplessis are expected to go "all out" in opposing it.

As things now stand the Government's approval of the St. Lawrence waterway and intention of setting up a provincial hydro system is beginning to sour a bit and may not follow along original lines when all phases of the project are studied and discussed.

Net British Aid Adds $900 Million to Budget

(Continued from page 1)

ternational obligations. He revealed that the Government had borrowed $325 millions—nearly a third of its total borrowings in the last fiscal year—to finance purchase by the Foreign Exchange Control Board of the gold and foreign exchange holdings of the Bank of Canada "and others." This he described as a special operation "almost entirely within Government institutions" to implement the foreign exchange acquisition order.

In addition, he reported, the Government borrowing of $1,023 millions in the past year had included nearly $246 millions to finance part of the British deficit of Canadian dollars, through redemption of Canadian securities from the United Kingdom. This accounts for the bulk of the total repatriation account of $337 millions since start of the war.

The gold and other exchange assets taken over by the F.E.C.B. apparently have had to be substantially depleted to meet Canada's adverse balance of payments in exchange account with the U. S. Mr. Ilsley reported that from the time foreign exchange control was adopted, Sept., 1939, to March 31, 1941, the Dominion's net deficit on U S. account amounted to $477 millions (Canadian funds).

Gold Transfers Helped

Of this approximately $250 millions have been met by the gold transfers of the United Kingdom prior to last December, to meet part of the British deficit of Canadian dollars. The balance of $227 millions had to be covered, said Mr. Ilsley, by "depleting our holdings of gold and United States dollar balances, and the liquidation of certain of our holdings of other United States assets."

The deficiency of U. S. dollars in the first 19 months of war will be doubled by the adverse balance in the current fiscal year. This is based on the following estimates of trade between the two countries in the coming year:

	Millions of Dollars
Imports from U. S.	953
Exports to U. S.	475
Deficit	478

In addition to this advarse balance of trade payments, he indicated, Canada will have to meet a net bill of $210 millions for interest and dividends payable in the U. S., after allowing for similar payments from the U. S. to Canada. Offsetting this will be net revenue from the tourist trade, which the Minister did not think could be estimated to increase to more than $130 millions. But even after allowing for this and other "relevant items," Mr. Ilsley set the deficit on balance of both current and capital accounts with the U. S. at the same figure as the adverse trade balance, less $11 millions of May 1 Dominion maturities recently renewed.

Mr. Ilsley made no appraisal of how far this U. S. dollar shortage would be reduced by the recent King-Roosevelt war financing agreement. But he hinted that British supplies acquired under the U. S. lease-lend plan for further processing in Canada, or U. S. parts to be embodied into completed Canadian equipment for Britain, might cut at least $215 millions from the total deficiency.

Of Canada's total U. S. imports of $953 millions in the coming year, he estimated, $428 millions would be purchases for war purposes. And of this, in turn, more than half (or upwards of $215 millions) would be for components and materials bought in the U. S. to execute British war orders in Canada. While he did not say that all or any of this would be provided under the lease-lend arrangement, it can be assumed that a large proportion will be so supplied and relieve the demand on Canada for U. S. exchange.

In addition, of course, the U. S. has undertaken to purchase a large volume of surplus war supplies and other defense equipment which Canada is specially fitted to make. The extent to which this will create additional U. S. credits and so ease our exchange problem, has been estimated unofficially at anywhere from $200 to $300 millions in the coming year.

May Balance Up

Should this latter estimate prove correct, and Canada's U. S. buying for British orders be written off against lease-lend, most if not all of the estimated Canadian deficit on U. S. account would be balanced up.

While not embodied in the Minister's calculation of the deficit with the U. S., the effect of Lease-Lend supply of U. S. parts for British orders in Canada was apparently weighed in computing the lower figure of $900 millions for the British deficit on Canadian account in the coming year. Several weeks ago Prime Minister King estimated total British buying in Canada in the current fiscal year at $1,500 millions, with the balance of payments (after allowing for Canadian buying in the U. K.) leaving a deficit of $1,150 millions.

Mr. Ilsley definitely included the British deficit as an integral part of the budget picture as a whole. But in appraising its impact on the budgetary problem, he submitted, there should be deducted the exchange deficit with the U. S. because:

"To the extent that we meet this by selling gold or foreign exchange or other capital assets it does not represent an immediate burden on our current production."

At the same time the value of Lease-Lend supplies to Canada on British account may presumably be taken as reducing both our U. S. exchange deficit and the gross British deficit on Canadian buying.

Net Burden $900 Millions

Latest information indicated, he said, that the difference between the British and United States exchange deficits would be $800-$900 millions in the current year. Adding this to the excess of war and regular outlay over direct revenues on the existing basis would produce a gross deficit of between $1,418 millions and $1,668 millions in the coming year to be met by new taxes, tax increases, and borrowing.

Addition of this substantial portion of the gross British deficit to the budget requirements of taxation and borrowing would seem to imply that there is little if any prospect at the moment of gold shipments or dollar exchange to cover part of the deficit. Certainly Mr. Ilsley held out no definite hope of gold transfers, noting that none had been made since last December. He made no mention of repatriation in the coming year.

But he deemed it "unthinkable" that British buying should be crimped for lack of Canadian dollars, and Canada has assured Britain we will meet as much of the total deficit as Britain cannot cover with gold or U. S. dollar credits. The Dominion, he revealed, is currently making Canadian dollars available to the United Kingdom for the full amount of the accumulating deficit.

While gold transfers would definitely cancel out part of the deficit, it may be pointed out that any additional portion covered by repatriation of U. K.-held Canadian securities would not be in the same category. The securities turned back would be value received to meet a section of the deficit, and would reduce Canada's gross debt abroad. But they would not mean any reduction whatever in the amount of Canadian dollars the Government must raise to finance British buying in the Dominion.

Mr. Ilsley presented revised figures showing the extent of the British deficit on balance of payments with Canada from the start of the war to the end of the past fiscal year (March 31, 1941). This was estimated a few weeks ago by Prime Minister King at $737 millions to the end of February. The Finance Minister this week set the deficit to date at $795 millions, indicating that March had added nearly $60 millions to the total.

The deficiency to the end of March was met by gold transfers, repatriation of Canadian securities from Britain, and outright provision of Canadian dollars "on the cuff" against accumulating sterling balances in London. The proportions in which these three methods were used to meet the deficit were as follows:

	Millions of $	%
Gold	249.6	31.4
Repatriation	337.1	42.4
Sterling bal	208.3	26.2
Total	795.0	

Even should gold transfers be resumed it is unlikely they will reach proportions comparable with volume during 1939-40, though a substitute for gold in the shape of several hundred million U. S. dollars is to be provided through the three-way lease-lend plan. With no hint given as to whether repatriation of securities will be resumed or to what extent, it appears probable that in any event this will be considerably less than in the past.

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 344

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 20th day of May, 1941, to shareholders of record at the close of business on the 6th day of May, 1941.

DATED the 29th day of April, 1941.

I. McIVOR,
Assistant-Treasurer.

Week in Wheat

Delayed Seeding Aid In Reducing Acreage

Deliveries of Old Crop Continue to be Rapid—First Come, First Served is Rule for Elevator Space — Lake Movement Heavy

From Our Own Correspondent

WINNIPEG.—Comparatively little seeding has yet been accomplished in western Canada, although each day sees work in progress on an increasing area, as soil reaches proper condition. This delayed opening of the season would probably result, even without Government encouragement, in some considerable reduction of the area seeded to wheat this year.

In most districts farmers like to have wheat seeding completed by May 15. Oats and barley, and especially the latter, may be put in considerably later. Unless the first two weeks of May are extremely unfavorable there will be plenty of time to put in 65% of last year's wheat acreage, which is the limit the Government has set as desirable, and to exceed limit, as will probably be done. Many farmers will seed less than 65% of last year's acreage, being sufficiently confident of good crops to believe they will be able to grow on a smaller acreage all the wheat they are likely to be able to dispose of under the quota arrangements that will be in effect the next crop year.

Deliveries Fast

Deliveries of old crop wheat have continued to country elevators at a rapid rate, well in excess of one million bushels a day. Farmers are impelled to deliver by three different forces. One is the need for money for spring expenses, another is the desire to get the work done before seeding, and the third is to take advantage of elevator space where and when it is available. Now that the Wheat Board has lifted all quota restrictions on deliveries of old crop wheat, it is a case of first come, first served, in elevator space. Practically all wheat delivered is going to the Wheat Board. The market will not at the present time absorb wheat at higher than Wheat Board prices to any appreciable extent and opportunities for outright sale are limited. Farmers can, if they wish, hold their own wheat in elevators in the hope of some improvement in price and list it for sale when sales can be made. To do so, however, they must pay the storage charges, which otherwise are taken care of by the Wheat Board, and few of them find the alternative attractive.

* * *

Lake Movement Heavy

Movement of wheat down the Great Lakes is still heavy, but the rate of shipment is slackening as a great part of the lake fleet is now en route down the lakes and return of vessels from their first trips must be awaited. Comparatively few shipments are made beyond Georgian Bay ports, or Buffalo, as lake vessel owners find it more profitable to charter vessels for the shorter trips than to book them through to Montreal at the restricted rate of 7 cents a bushel allowed by the Board of Grain Commissioners.

* * *

Australia Fears Drought

Reports from Australia indicate that country fears another dry season, following the extremely severe drought of the past growing season. Argentina, on the other hand, is experiencing wet weather and expects its new wheat crop to get off to a good start. The weather is thus likely to assist the Government of Australia in enforcing its programme for acreage reduction, while the Argentine Government, which has not entered upon such a programme, may find itself embarrassed by that lack. Shipments from both countries are likely to be still more restricted in future than in past months, by the growing scarcity of shipping.

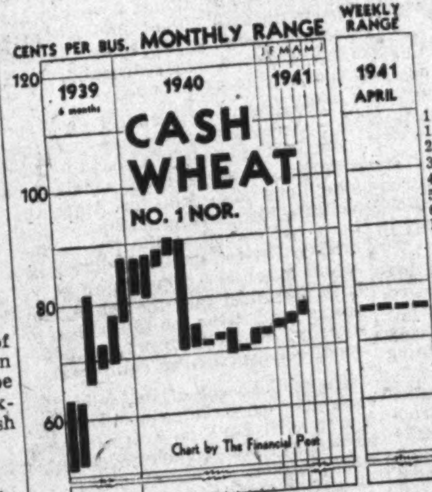
* * *

New Car Regulation

The Canadian Wheat Board is adopting a new system for allotting railway cars for shipments from country elevators. There is being determined for each shipping point the number of bushels which will have to be shipped out in order to allow room for grain still remaining on farms. Elevator companies are allowed to apply for cars, and railway companies to furnish them, up to limit so established, in the order that will best suit their convenience, provided that cars for any one point must be divided between different elevators on a basis relative to their respective capacities. But no more cars must be allotted to any point than sufficient to make the room necessary there for grain still remaining on farms. Not until all wheat still on farms is taken care of will it be allowable to ship out from country elevators in order to make room for grain of the new crop.

Such restrictions apply only to wheat. Coarse grains may be moved freely, and durum wheat is specifically exempt from restrictions. When other special grades of wheat are in demand restrictions will doubtless be relaxed and that is currently done in respect to No. 3 Northern. The Board will give special permits for its forwarding wherever carload lots are available.

Wheat Prices



Cash Quotations

	For Week Apr. 28 High	For Week Apr. 28 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.75¾	.75½	.75½	.75⅝
1 Nor.	.75¾	.75½	.75½	.75⅝
2 Nor.	.73⅝	.71⅞	.73½	.73½
3 Nor.	.71⅝	.71⅛	.71⅝	.71
4 Nor.	.70⅛	.69⅛	.70⅛	.69⅜
5 Wheat	.69⅞	.68⅛	.69⅞	.69⅜
6 Wheat	.68⅜	.67⅛	.68⅜	.65⅜
Feed	.63⅞	.63⅞	.63⅞	.62⅞
Oats:				
2 C. W.	.38⅜	.36½	.39	.37⅞
3 C. W.	.36¾	.34⅛	.37⅞	.36⅛
Barley:				
1 Feed	.52⅛	.47⅛	.53⅝	.52
2 Feed	.50⅝	.46½	.51⅞	.50¼
Flax:				
1 C. W.	1.55¼	1.46¾	1.61⅝	1.50⅛
2 C. W.	1.52¾	1.44¼	1.59⅛	1.52¾
Rye:				
2 C. W.	.58	.51½	.57⅞	.53¾

Winnipeg Grain Futures

Week to Apr. 28, 1941

Crop year from Aug. 1, 1940 High	Low		Open Apr. 22	High for week	Low for week	Close Apr. 28	Close year ago
		Wheat					
.79¾	.65⅞	May	.75⅞	.75⅞	.75⅛	.75⅞	.89¾
.81⅜	.77½	July	.77½	.77½	.77½	.77⅛	.91½
		Oats					
.38⅜	.25⅜	May	.38	.38	.35⅜	.36⅛	.37⅜
.36½	.29½	July	.35⅜	.35⅞	.34⅜	.35⅛	.37
.33¾	.30¾	Oct.	.33	.33	.31⅞	.32⅜	.35⅞
		Barley					
.53⅝	.33⅜	May	.51⅞	.51⅞	.49⅜	.50	.51
.49½	.39⅞	July	.47⅜	.47⅜	.46⅛	.47⅝	.50¾
.45⅞	.41⅞	Oct.	.43⅝	.43⅜	.43	.43⅜	.49½
		Flax					
1.93¾	1.16	May	1.57½	1.57½	1.45½	1.51⅜	2.09¾
1.92⅝	1.29½	July	1.59	1.59	1.47½	1.53½	2.12¾
1.79¾	1.44¾	Oct.	1.53¾	1.53¾	1.48¼	1.49¾	2.13
		Rye					
.60¾	.44¼	May	.54⅛	.55⅝	.51½	.58⅝	.69⅛
.60⅛	.47⅛	July	.53⅞	.58⅜	.51⅜	.53⅜	.69½
.58⅜	.50⅛	Oct.	.51⅞	.56⅞	.50⅛	.56⅝	.70

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Sydney Pig Iron Output Moves Up

From Our Own Correspondent

MONTREAL.—Pig iron production at the Sydney plant of Dominion Steel & Coal Corp. totalled 33,000 tons in March, compared with 34,000 tons the same month last year.

For the first quarter of 1941 the Sydney plant turned out 98,000 tons of pig iron, as against 91,000 tons in the like period last year.

ONTARIO SALESMAN

Col. F. W. Miller, vice-president and managing director of Collins & Aikman of Canada Ltd., announces appointment of R. E. Stewart Green as Ontario sales representative. Mr. Green has had wide experience in the automobile, merchandising and advertising fields. His headquarters will be in Toronto.

COMMERCIAL ALCOHOLS LTD.

MONTREAL. — Montreal Curb Market has called for trading 1,930 additional common shares of Commercial Alcohols Ltd. These shares have been issued under the employees' stock subscription scheme and will bring shares outstanding to 195,415.

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"Speed Victory by Feeding Our Enemies"

Economist Claims Free Distribution of Crop Surpluses Logical and Profitable

The following outline of a proposal to assure war-torn Europe now of New World surpluses of foodstuffs and raw materials after the war, is the partly condensed text of an address before the Canadian Club of Montreal, by Gilbert E. Jackson, of Toronto, well-known Canadian economist.

By GILBERT E. JACKSON

In the face of the stark drama in Europe, how can we citizens of the western world forge weapons, out of our wheat and our fruit—and all the peacetime goods that we have in abundance?

In its very simplest terms, the basic world economic structure, evolved in the nineteenth century, was something like this: Europe, with a fast expanding population, had very limited resources. It might be called "a continent of deficiency" —for there were more mouths to be fed in Europe than there were places at the Banquet of Nature; there were more bodies to be clothed in Europe than there were textile raw materials. If the people were to survive (and more than that, if they were still to multiply) the deficiencies of Europe had to be made good by the productiveness of other lands.

Overseas, the nineteenth century created "the continents of surplus": in particular, North and South America, producing immense quantities of grain, coffee, meat and cotton; and Australia, producing much more wool and wheat than Australians could themselves consume.

The nineteenth century, because of Europe's need, created the world market, in which grain coffee, cotton, wool and a dozen other great staples were graded, and freely bought and sold; by means of which the surplus population of Europe could be fed and clothed, with the surplus production of the great, new continents overseas.

Prosperous Century

The nineteenth century was thus, on the whole, increasingly prosperous. Its development was balanced, and the balance and the prosperity lasted until 1913. This was because in Europe—except for an occasional, short-lived trade depression—there were always enough solvent customers to take from these new continents their surplus staple products and pay fair prices for them.

This natural balance of demand and supply was responsible for a phenomenal development in the United States. Brazil, Uruguay, the Republic of Argentina, New Zealand and Australia, to the great profit of them all, took advantage of this condition. And Canada, led by the far-sighted merchants and bankers and railwaymen of Montreal, took full advantage of it also.

The balance lasted until 1913. And for several generations before 1913 this world of ours was a cheerful and increasingly comfortable place. We had entered on a golden age.

But it was destined, unhappily, to be brief. Since 1914 the world has never again been the same.

Balance Wrecked

The balance on which our joint and universal welfare depended was wrecked by five departments:

1. By the war itself, from 1914 to 1918.
2. By the peace treaties, everywhere recognized in these days as not only crimes but blunders.
3. By the now nearly forgotten war debt settlements.
4. By the tariffs resulting from a mad post-war nationalism.
5. By that most upsetting of all this age's inventions, that ace of the dictators, economic autarchy.

All of these developments contributed to the same end. They knocked the props from under the world market. In and by the world market, western men had lived and prospered for a century. The world market was the supreme economic interest of us all.

World Market Wrecked

But in retrospect, it seems to have been the last thing our so-called statesmen thought about, and the public thought about it even less. Perhaps it is right that all of us should now suffer; for all of us have helped in the destruction of the world market.

If each of the countries concerned could have made itself over" fast enough and at the same time, of course we could have done without the world market. If we Canadians could have provided ourselves with needed capital for expansion; if Uncle Sam could have grown his own rubber; if John Bull could have grown his own wheat; if the French could have dug their own coal; and if the Japanese could have used up their own silk—then the near-destruction of the world market might have been accepted (if with great regret) at least fairly cheerfully.

But our productive systems continued as before. We could not "make ourselves over." Hundreds of thousands of people on the Canadian prairie had invested their lives in wheat growing in the belief that the congested countries needing wheat would always be solvent. They could not change over. Coffee growers in Brazil, station owners with vast flocks of sheep in Australia, cotton planters in Texas and New Zealand; dairymen likewise depended on a multitude of solvent buyers in Europe—the deficiency continent — and they could not change over.

Buyers Insolvent

But the buyers were no longer solvent, or, at least, not enough of them. In the 1920's we lent them so much money that they could still buy. Great creations of credit and unwarranted loans by New York and London, to borrowers in Europe no longer credit-worthy, disguised for a time the realities of the post-1918 situation. We did manage, during the mad 20's, to live in a fool's paradise.

Just as soon as, in 1929, we stopped lending to these impoverished borrowers—but not until then—the situation was made evident in all its nakedness.

At once it became clear that our customers—the surplus population of Europe—broadly speaking, were no longer solvent. Some were frankly "broke." Some, still with means of purchasing, were not allowed to go to market for fear of upsetting exchange controls due to the general impoverishment; and in consequence of this, we suffered a depression in the 30's such as our countries in the "continents of surplus" had never known before.

Output Uncontrolled

We still, it is true, sold wool and cotton, coffee, grain and meat in Europe. But because our own production of these things was uncontrolled, we were obliged to take for our products whatever was offered. We sold for 10 years in a "buyers' market." And farmers from Australia to Brazil, from Argentina to Saskatchewan, were impoverished accordingly. Thus were the strains and stresses originating in Europe distributed, until they were felt, and keenly felt, all over the world.

In the later 1930's, not yet quite aware that the main task of economic statesmanship was to reconstruct — if possible — the world market, we were nevertheless half-consciously struggling to reconstruct it. If we had been able to do this, we might indeed have resumed the march of progress, so brutally halted in 1914.

Present Outlook

What is our present and what is our prospective situation?

For the duration, of course, there is not a world market; as there was not from 1914 until 1918.

Certain of our products, that we still produce in quantity, cannot now be consumed. Wheat stocks are piling up in Canada, larger than any stocks in the past. Fruit is piling up. Cotton is piling up in the deep south, and in Brazil, coffee. South American wharves and warehouses are loaded with goods, for which there is no market.

That is, of course, one of the costs of the war. Largely, the sacrifices of the farmer, not hit by war taxation like the townsman, take this form everywhere.

Inevitably war, with all the destruction that it entails, throws our economy still more off balance.

Postwar Prospect

But after the war? For our own sakes, and for the sakes of those now fighting for freedom, we who remain at home have a certain obligation to think about after the war. If not, if we should be found unprepared for peace, as in 1939 we were not yet prepared for war, then it is a bleak prospect that civilization must face.

Our world, unbalanced by the last war, will be far more unbalanced when this war ends—and the supreme task of our own and the next generation will be to recreate a balance, so that there shall be markets for which to produce, so that goods shall come into the hands that need them, and so that men working all over the globe shall be paid adequately for the produce of their labor.

Quite apart from material destruction, the forms of economic organization have been and are being destroyed in most of the countries occupied by Hitler.

We must face the risk that, if the Soviet system does survive this war, there may be landslides into Communism by large aggregations of Europeans. And when a people slides into Communism, that people disappears inevitably from the world market.

Vast Accumulations

Our difficulties will be the greater, because overhanging us there will be vast accumulations of grain, coffee, cotton, and a lot of other staple products, unsold in wartime.

Past experience tells us that such a condition might condemn farmers by the million, in the "continents of surplus," to grinding years of poverty—which would mean, for all of us, a long-continued and world-wide depression, due fundamentally to the complete unbalancing of the world's economy.

What can be done about it?

How to rebuild the world market, nobody now quite knows. That is a tremendous and long-drawn-out task for all of our wisest leaders.

But as an essential preliminary to the discharge of this great task, I suggest a preliminary clearing out of the vast surplus stocks of staple foods and materials which must otherwise weigh down upon the prices of farm products everywhere, perhaps for a generation to come.

In a lecture room at McGill last March I made a proposal. I got it from a source to which we seldom turn for economic inspiration, I mean the New Testament.

I read, in St. Paul's Epistle to the Romans, a verse with which all of us are familiar. St. Paul says: "Vengeance is mine; I will repay, saith the Lord. Therefore, if thine enemy hunger, feed him; if he thirst, give him drink; for in so doing, thou shalt heap coals of fire on his head."

Feed Our Enemies

I make the suggestion that this is practical wisdom; that we should make up our minds, now, to do just what St. Paul says—to feed our enemies, and clothe and succour them by giving them a very great part of our surplus—as soon as, but not before, the war is over. We should not only decide this now, but announce it as our irrevocable policy.

We had hundreds of millions of customers in Europe. Whether we shall ever have them again remains to be seen. But when this war ends they will not only be poverty stricken, they will be starving, riddled by the diseases of malnutrition, and, in all probability, leaderless.

On our immediate treatment of them when this war ends may depend the future of Europe. Whether those millions will ever be steady customers of ours again, and whether the new countries, including Canada, must now try somehow to live without the world market which was the reason of their existence.

Britain's Interest

The problem, of course, is international. But it is a vital interest also for Britain, which will have no such stocks; and Britain can give the leadership, and it happens that Britain has the means of doing so.

For poor as Britain will be when the struggle is over, I believe she has and probably will then still have large balances in many new countries (but particularly the republics of South America)—balances which lie to the credit of English investors and have lain to their credit for a long time, unable to be transferred —accumulated interest and dividends.

Exchange and currency difficulties will be greater when the war ends than before it began. The problem of transferring these accumulated balances to London will not have become easier; but more difficult. The fact, however, that Britain has unused (and so far unusable) funds in so many primary producing countries means that she has the means of bearing her share in this great international enterprise —and, incidentally, by helping those primary producing countries to get rid of their accumulated stocks could place them under an immense obligation.

Don't Wait for U. S.

Let us have no foolishness, looking on Uncle Sam as the fairy godfather—waiting for him to do the job alone, and to distribute largesse all over the world. Let us recognize this as our common responsibility.

And the moral effect! I think not of the moral effect after the war only, but of the moral effect now. Suppose that on every short wave, as from now, the following announcement were to be broadcast many times daily—broadcast in the German, Italian, Norwegian, Danish, Dutch, French, Polish, Czech and other languages: That the governments of the British Empire and the United States jointly have already bought the grains and meats and fats and raw materials for clothing that Europe so rarely needs; that these great supplies are held in depots all over the world, ready to be brought across the seas in ships; that when the war is ended these great supplies will be brought over forthwith and given to the needy peoples of Europe, so that all may be fed and clothed; that only the continuance in power of the dictators prevents those great supplies from being brought across for distribution now.

Costly — such an undertaking would indeed be costly. This would be the biggest giving in all history. But it would not cost as much as even six months of war. If it shortened, even by six months, the length of the struggle, it would need no further justification. But it would have such an impact on the spirit of Europe, on millions of disillusioned Germans, and on more millions in the captive countries, that it might well shorten the struggle not by months but years.

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1941, if Possible

Published by authority of the
Dominion Department of Agriculture

Here is a Dominion Government handbill now appearing in western Canada.

New Budget Stiffens Grips on Construction

New industrial construction is to be rationed and the sales tax exemption enjoyed by building materials for the last three years is eliminated.

These are the chief budget changes so far as the construction industry is concerned. Neither are expected to interfere significantly with prevailing trends within the industry, because:

1—In effect industrial construction is already rationed by official priorities on certain key materials, notably steel.

2—The sales tax on building materials is of small importance in relation to total costs. And other factors, notably labor costs, will prove the determining factor governing volume of total construction.

The new budget requirement of a license for all industrial construction is designed to curb expenditure of labor, materials and money on any undertaking not connected with the war effort.

But since the war and more particularly in the last 15 months, most building in Canada has been for war purposes.

Of the $346 millions of contracts awarded in 1940 (MacLean Building Reports), more than half was industrial and engineering: expansion of war plants, the provision of roads and other services for these and the laying of runways and other services for military air fields. Of the remainder some $60 millions was expended for "public buildings": largely troop barracks, schools and other buildings for the Air Training Plan. In all probably three quarters of the construction could be traced to the war.

Presumably this sort of building will be continued without restriction and expanded when deemed necessary. For almost a year it has been difficult if not impossible to secure steel for any other purpose but direct war construction, with one notable exception.

The exception was steel for mining development. Because of the contribution made to Canada by the mining industry,—base metals for munitions and gold for American dollars—the mining industry has been put second to the top on the priority list for steel. Only steel for actual munitions came ahead of it. It is presumed that the mining industry will have no difficulty in securing licenses for new or additional construction or equipment.

The withdrawal of the sales tax exemption on building materials, of course, will have no net effect on any construction connected directly with the war.

Last year about $67 millions worth of new houses were erected in Canada, or almost exactly the same as in 1939.

So far in 1941 this sort of building seems to be maintaining its previous pace. Whether it will continue or not, however, The Post is informed, depends more on the cost of labor than anything else. In a $5,000 house 50 to 60% of the cost goes to labor. Land would account for possibly 20% leaving the balance 20-30% for materials. But only part of these materials has been exempt from the 8% sales tax in any case. At most in a $5,000 house the total saving due to the tax exemption is estimated at well under $100, which is not considered a determining factor.

Has Ottawa Been Scorning British Columbia Industry?

From Our Own Correspondent

VANCOUVER. — After a slow start, British Columbia is beginning to win recognition for her wartime industrial capacity as the current announcement of a major shipbuilding programme for this province demonstrates.

For many months most of Canada's war business was placed with eastern plants. The Pacific coast's share lay chiefly in continued production and supply of such materials as had constituted her normal peacetime program — lumber and metals.

Not until last spring did a trickle of war orders for products other than those of the usual categories reach British Columbia. Garment factories and boot and shoe manufacturers received contracts for military and naval supplies. A few months later the first contracts for naval ships were placed on this coast.

Now Starts Going

Now it can be said that war production in British Columbia is beginning to hit its stride, even though only a small percentage of available plant capacity is so far being utilized.

A reliable estimate completed recently indicated that war contracts totalling more than $115 millions had been placed in British Columbia by the British or Canadian Governments for a wide variety of goods ranging all the way from cargo ships to naval guns, submarine cables to blankets.

A committee representing west coast manufacturers, the Canadian Government and the British Admiralty has just made a thorough survey of plant possibilities and performance on this coast.

It isn't just another survey—and B.C. industry has had several of those in the past. This time the committee is really getting facts of the province's wartime industrial programme.

Here is the committee:

LAWRENCE KILLAM, chairman, president of B.C. Pulp & Paper Co.
JAMES CRONE, of the British Technical mission.
REAR ADMIRAL J. O'B. CROCKER, of the British Admiralty.
FRANK ROSS, director-general of naval armament production.
R. W. MAYHEW, head of Sidney Roofing & Paper Co., Victoria, member of the House of Commons and past president of the B.C. division, Canadian Manufacturers Association.
GORDON FARRELL, president of B. C. Telephone Co.

There is a second committee comprising British Columbia manufacturers which will act as a clearing house for all industrial information and act as a liaison office with the National Department of Munitions and Supply, continuously advising Ottawa of the extent to which plant capacity is being or may be used.

There has been some foundation for the repeated protests of west coast manufacturers that they have been neglected in distribution of orders. A prominent west-coast industrialist told this writer:

"At a time when many eastern factories were overcrowded with business and reporting a shortage of labor—so serious that the Government was undertaking to train new workers as well as to finance plant expansion—well equipped engineering and metal trades units in Vancouver and other B.C. cities were languishing for want of contracts.

"We made a survey about four months ago and concluded that less than 35% of our capacity was being used and that there was an actual surplus of skilled labor here."

Order Whittled Down

Last summer contracts for manufacture of 100,000 shells a month were tentatively placed with west coast factories. The order was later whittled down to such small proportions that plant operators felt it was hardly worth while to make the necessary changes in equipment. Since then the whole of the shell order for the West has collapsed, the explanation given being that no more shells were needed for the time being.

Contracts for machine tools were also tentatively placed with the west coast, but these were later withdrawn, only to be replaced again after Vancouver manufacturers protested through Col. W. C. Woodward of this city, who is executive assistant to Hon. C. D. Howe.

Since then several substantial orders have been awarded here, notably to Vivian Engine Works and Reliance Motor & Machine Works for precision tools.

Dominion Bridge Co. is also expanding its Burnaby Lake plant at a cost of about $5 millions to enable it to become a fully-equipped naval arsenal, able to produce big guns, depth bombs and other armaments.

Many plants are still idling along with considerable unused capacity, but the situation is improving.

One criticism of west coast metal working plants has been that their equipment is not thoroughly modern. James Crone, British technical adviser, voiced such a complaint here a few days ago. But he also pointed out that had the Canadian Government been as liberal to the Pacific coast as to the East in providing the means for obtaining new equipment, the West would have been as well prepared to produce.

It is still obvious that British Columbia industry is still a long way from a thorough-going "all out" war effort.

Most of the orders placed here have had to be fought for, and there has been a general feeling that Ottawa has not impressed upon factories here the necessity for speed in production, nor has it provided the means of attaining that speed.

Shipyards and most of the larger industrial plants shut down or operated on slow bell during the recent Easter holidays, while elsewhere war industries were on a 24-hour basis.

The aircraft production programme has not progressed anything like as fast as Mr. Howe indicated in the House some weeks ago. Boeing Aircraft has contracts for flying boats, but the plant to build them will not be completed until early summer even though preliminary fabrication of some of the planes has already begun.

While there may be an economic disadvantage in the necessity to haul steel across the continent for the use of west coast industries—a $1 million plant for conversion of scrap steel is now projected for Vancouver — there are several branches of production in which transportation costs are offset by other considerations.

Montreal Listed Stocks Record Gain in Value

From Our Own Correspondent

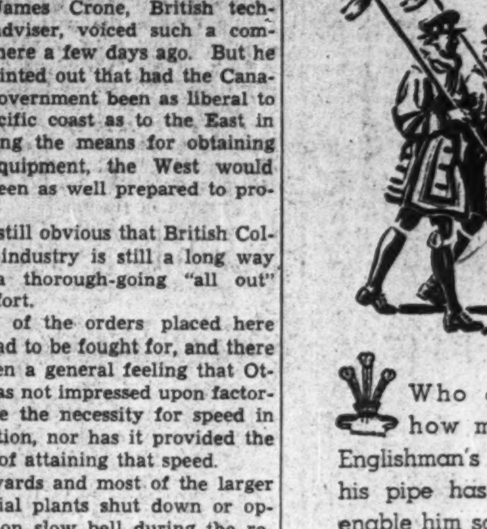
MONTREAL. — Value of stocks listed and traded on the Montreal Stock Exchange and Montreal Curb Market at March 31 amounted to $4,072 millions. This represents a gain of $253 millions over February and reflects an improvement in 12 out of 20 groups of stocks. On March 31 a year ago the value of all stocks was $4,291 millions.

KEWAGAMA GOLD

From Our Own Correspondent

MONTREAL. — H. Whittingham, secretary-treasurer of Kewagama Gold Mines (Quebec) Ltd., was elected a director, replacing H. S. Munroe, at the annual meeting.

"... and there will always be a London"



Who can say how much the Englishman's love of his pipe has done to enable him so magnificently to clench his teeth and keep his chin up during the present crisis? But "pipe" really means "tobacco" — those splendid mixtures which English tobacconists have developed from the pick of the world's crops. Piccadilly is Canada's gift to those who prefer English Mixtures.

Piccadilly
LONDON
SMOKING MIXTURE
MILD
Piccadilly

OPEMISKA COPPER

From Our Own Correspondent

MONTREAL. — A. G. Fulton, Toronto, was elected a director of Opemiska Copper Mines (Quebec) Ltd., replacing H. S. Munroe, at the annual meeting.

EXTRA SIZE.. EXTRA COMFORT.. EXTRA QUALITY!

Little Difference in Dollars

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Tremendous Difference in Car!

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SEE HOW MUCH MORE YOU GET FOR YOUR MONEY! 100 horsepower Six-cylinder Oldsmobile Engine; 119-inch wheelbase; Bigger, roomier Body by Fisher; New interior Luxury; 4-Coil Spring RhythmicRide; Famous Oldsmobile Quality Throughout.

When the difference in price between de luxe models and the stunning Oldsmobile "Special" Six is so little — why not enjoy the extra *roominess*, extra *smartness*, extra *power* and *performance*, that this great Oldsmobile gives? Here, in one value-leading car, are the latest fine-car features . . . *size* and *styling* that lead the field . . . *prestige*, that makes you *proud* you own an Oldsmobile! See the Oldsmobile "Special" at your dealer's showroom today. Take a trial drive. Let him show you, before you make *any* final decision, why Oldsmobile is the better buy!

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Modernization Helps Mines Speed Victory

Modern Engineering . . .

. . . Speeds Mine Making

Speed is the keynote of modern mine making. Airplanes and caterpillar tractors transport mining equipment to the site of a new discovery. Modern compressed air equipment and rock drills then play their function in shaft sinking and mine development. Explosives are more reliable, safer to handle and give a cleaner, larger break. Special explosives, too, have been designed for special jobs.

. . . Reduces Mining Costs

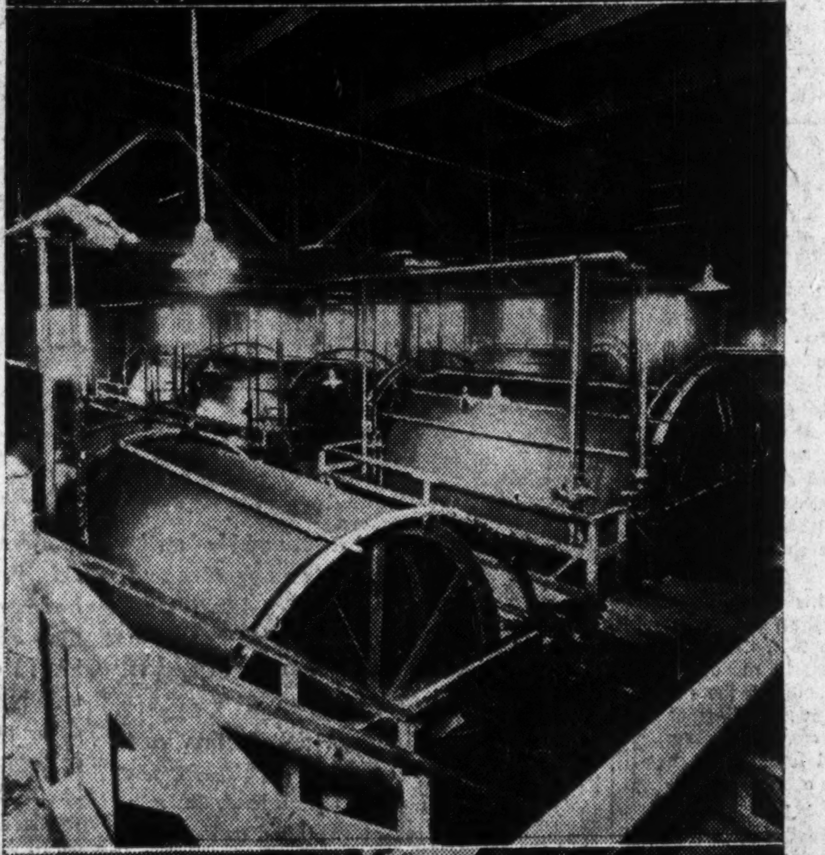
Rubber conveyor belt like that pictured has greater wearing power than steel. Millions of tons of ore will pass along this belt before it will have to be replaced.

To the mine operator, conveyor belts typify methods by which efficiency and low costs are being secured every day. With a minimum of supervision conveyor belts are doing enormous jobs in almost every Canadian mine. Photoelectric eyes supervise operations, prevent belts from being overloaded.

. . . Extracts More Metal

Milling recovery processes have been improved in three important ways the last few years. New methods and shortcuts have been evolved in flow sheets that mean lowered costs. Larger items of equipment are being installed for greater efficiency. And improved chemicals have been developed that mean improved extraction and smaller losses in "tails."

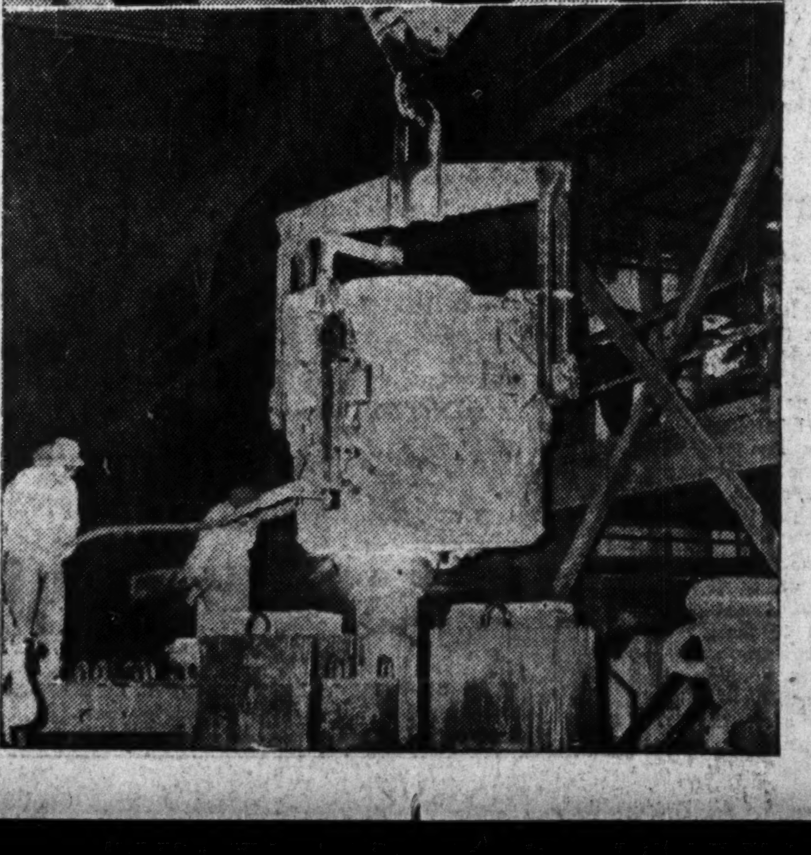
Back of all the fine new equipment installed in northern mines is electric power. Only with large quantities of cheap electric power available have mines been able to mechanize and modernize on a large scale. C.I.L. photo.



. . . Forges Mighty Weapons

Modern metals make modern equipment. The variety of useful metals extracted from the rocks of the Canadian northland combine to make efficient equipment for mining and the many other industries behind the war effort.

So great has been the expansion of metal output in this country that even a huge company like International Nickel Co. of Canada has been forced to go outside the Dominion to secure the refining of all the copper it now produces. Plant expansion is still under way with base metal producers.



Engineering Science the Key To Mines' Mighty War Effort

By GORDON M. GRANT

In Canada's northland, a fortunate combination of modern mining equipment, highly skilled labor and rich mineral resources is making possible a mighty contribution to our war effort. In many ways it is unique.

Long before Germany's invasion of Poland became history, Canadian mines were famous as possessing equipment as modern as any other country in the world. With the world at war, this modern equipment—steadily improved—is now proving of inestimable value.

Modern equipment in wartime means greater efficiency to offset rising costs. It means ability to carry mining to greater depths than ever before. It means that fewer men are needed in a mine; that more men can be spared for munitions production and military service.

It means more efficient extraction of metals from ore, recovery of even a greater number of metals, and the promise that newly-discovered deposits can be quickly developed.

Half Billion Plus Is Contribution

Canada's mineral production in 1940 was a record total of $529 millions — an increase of 11.5% over the previous year. But considering low fixed base metal prices, the contribution of the mining industry to the war effort in mineral output was even greater than these figures suggest. Canadian base metal producers are providing the United Kingdom with a billion pounds of metal a year — at prices which mean a saving of $35 millions or 3.5 cents a pound to the authorities there on the basis of current world metal prices.

Base metal producers' part in satisfying United Kingdom metal requirements is thus summed up by W. H. Losee, chief of the Mining, Metallurgical and Chemical branch of the Dominion Bureau of Statistics:

> "It was not long (after the outbreak of war) before negotiations were under way between the larger Canadian base metal producers and the British Government to establish a base price for the metals. Agreements were consummated at prices considerably below those obtaining on the open market, and it is to the everlasting credit of our mine operators that such an agreement was made. I personally view it as a straight contribution by those companies to the war effort."

Big Output Boost Comes This Year

As well as selling output at prices below normal, base metal producers have increased their production continuously. It has been patriotism and the desire to "keep modern" far more than the profit incentive that has brought expansion of capacity.

Costs of war plant expansion in many industries has been borne by the Government. Base metal producers, however, have borne the entire cost of plant expansion themselves. They have willingly assumed the possibility of excess capacity after the war, so as to ensure an adequate supply of metal for our growing war industries. Greater output means faster depletion of ore reserves but that is another problem base metal producers are shouldering.

Combined value of nickel, copper, lead and zinc output last year was $156 millions. This represented an increase of 14.36% over the previous year. Increase in volume of the four base metals produced was probably not far from the increase of 14.36% in value as three of the metals—copper, lead and zinc—were being sold at fixed prices in Canadian funds.

Modernization Features New Project

Much of the 1940 increase in capacity will only make itself felt in output this year. The likelihood is for record base metal output again this year. Installation of further productive equipment at practically every major base metal producer — including International Nickel, Consolidated Smelters and Hudson Bay — has given an opportunity for modernization of processes. Broadened operations always present opportunities for new efficiencies and by-product recoveries.

Canada's $200 millions annual gold production has been a fundamental factor of war financing since Sept., 1939. Gold mines have done their utmost to increase production further — output of $205 millions last year represented an increase of 4.5% in quantity and 11.3% in value — but there is a definite limit on increase in gold production to be secured over the short period. Much depends on new discoveries and few prospectors have been in the field.

Grade of ore treated has been raised where this could be done without "gutting" mines. Capacity has been increased more rapidly than normal.

Metal production enters more directly into the business of fighting a war than the output of most industries. To the war effort our base metal production is of utmost significance. Nowhere in the world could our nickel supplies be replaced. Our production of copper, lead and zinc could not be replaced on the world market even if the British Empire possessed the foreign exchange to buy it.

Gold has solved many bottlenecks in the Canadian war effort. Gold gives us what we cannot produce ourselves — airplanes, airplane motors, special steels, machine tools, etc.

This year and next, fruits of modernization will be applied to a new wartime endeavor. Authorities desire that many marginal gold properties across Canada be brought into production to increase gold output. The Dominion Government is willing to forego tax revenue to encourage these marginal operations. Modern equipment and methods will aid by transforming marginal rock into profitable ore.

Taxes Double But Profits Are Less

This is essentially a no profit war. Mining along with other industries is subject to an increased corporation tax and the excess profits levy. The huge volume of taxes being paid by the mining industry represents a tremendous contribution to the war effort.

Even greater production has not meant greater profits. Nine Canadian base metal mines increased their output last year but profits dropped 5.1%. Their taxes, on the other hand, increased no less than 83.3% with a total of $31 millions placed in Government coffers. International Nickel's taxes alone were $21,130,703 — almost double the $11,322,121 paid the previous year.

While all reports of gold mining companies have not yet appeared, figures issued reveal the situation is the same as that for base metal mines. To date, taxes paid out are approximately double those for 1939 while profits available for dividends are somewhat lower.

In the years preceding outbreak of war, high costs in wartime were considered a potential danger for both gold and base metal mines. Equipment costs are higher but the increase in cost is not of the serious proportions expected.

Prospectors' Finds Aid War Effort

Equipment companies have been busy with war work but deliveries of equipment for mines have gone forward as rapidly as possible, it can be stated. Equipment companies expect to continue supplying all the mines' requirements. As mining is a key war industry it is unlikely that the Dominion Government will allow any serious obstacle to impede its regular operation.

Prospectors with a better knowledge of geology and deposition of metals have been searching for "war metals" since the outbreak of war. Not only have new discoveries been made but production of at least two war metals is under way.

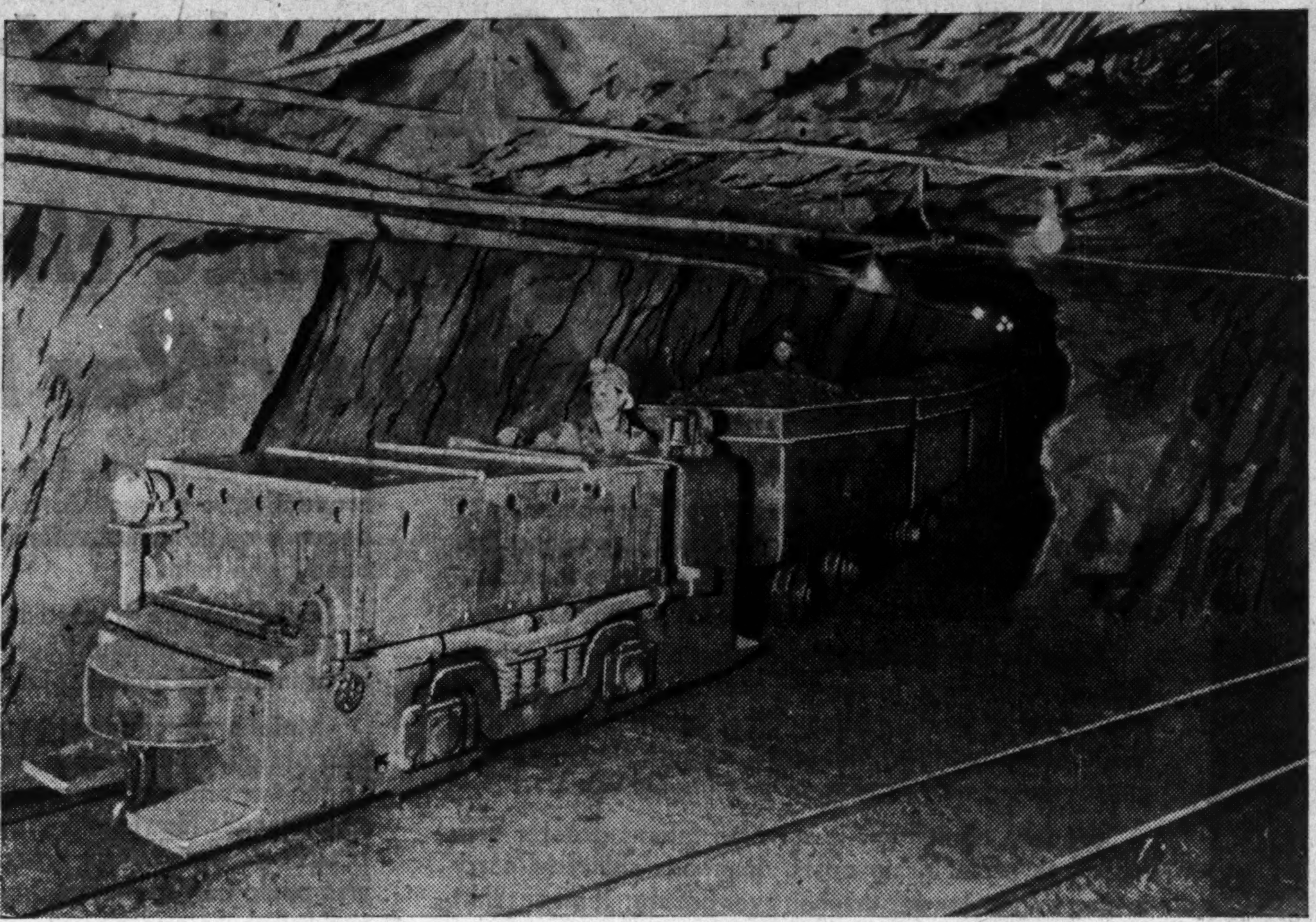
Although neither of these metals was being produced in Canada previously, Canadian engineers were able to bring the properties into production with little delay. Other minerals either have been or will be placed in production to save valuable foreign exchange.

Waging the war has brought an increased demand for chemists and engineers for direct war work. At considerable sacrifice, the mining industry is now lending many of its trained chemists and metallurgists. To fill the gaps in the ranks, mines are depending in large degree on students and any consultants who may be available.

Right at the outbreak of war the Canadian Institute of Mining and Metallurgy presented the Dominion Government with a survey of the trained engineer manpower of this country, so the call for volunteers was not unexpected.

Mechanization Steps Up Recovery

Efficient Modern Equipment Reduces Costs, Averts Labor Shortage



—Canadian General Electric photo.

An underground locomotive is something entirely different from its railroad counterpart above ground. Motive power underground is supplied by very efficient storage batteries which make extensive use of alloy metals. Small "midget" locomotives have also been developed for use in narrow drifts. Ore cars pictured behind the locomotive are self-dumping and empty automatically into ore chutes. When ore finally reaches the ore pocket at the bottom of the shaft, via the ore chute, the jaw crusher does the first ore breaking. Broken ore is then hoisted to the mill bins ready for grinding in the ball mills.

One of the most outstanding features of modernization in Canada's mining industry is the trend toward complete mechanization.

To most managements, mechanization is today the answer to high costs and any threatened shortage of labor. As more and more mobile and more easily handled equipment is used, costs have been reduced.

The important place modern equipment fills in producing mines is well known. Less familiar is the big contribution efficient equipment can make to the discovery and development of further mines.

Take diamond drilling, for instance. Old-timers remember when it used to cost $10 a foot to carry on diamond drilling. Now drilling can be carried out as cheaply as 50 cents a foot in certain locations under favorable conditions. In other words, costs of searching for ore bodies has been reduced 20 times—in that favorable instance. This advance in diamond drilling is combining with modern geophysical prospecting to explore hitherto untouched ground covered by heavy overburden.

When a new discovery is made in an out-of-the-way place, modern equipment again comes to the forefront. "Bulldozers" — great tractors equipped with "scraper blades" to clear out underbrush—are extensively used to break trails for tractor trains which haul in huge loads of supplies and equipment.

Use Diesel Power

First power supply for outlying mining operations is usually supplied by Diesel engines. Modern Diesel engines are much lighter and are certainly more efficient.

In establishing mining operations, managements alert to guard against possible interruptions have been quick to sense the value of efficient equipment as a safeguard. This is reflected all the way through from drilling operations underground to the pouring of gold brick.

The modern trend has been for managements to anticipate future expansion when installing equipment. This is particularly true of crushing equipment which is often several times the capacity required in initial production. In many mines, expansion only involves installation of extra tankage and relatively small outlay.

Realizing that war might bring with it a shortage of heavy equipment, many mines anticipated such requirements long before the war. Hoists capable of operating to a much greater depth than immediately needed were installed. Equipment was sometimes replaced sooner than was absolutely necessary in order that modern, more efficient equipment might be put in.

Underground, mechanical muckers and electric locomotives are reducing costs and time. Lighter, better-balanced and more easily handled drills have been evolved the last few years of a much more efficient type that not only allow faster work, but make possible more work per man per hour. Special drills have been designed for special jobs.

Mechanical muckers, miniature "steam shovels," and dump trucks for gathering up broken rock or ore are particularly important time savers. They work in crowded spots where only two or three men could be put on a job and by increasing the speed they reduce the "out-of-action" time for valuable drilling equipment, compressor equipment, etc.

Putting modern machines on the job is found to be the way toward lower costs, higher profits — has particular importance now that manpower is so vital — better machines put more ore in national treasure chest — many firms have specialties to offer management.

In tramming ore, smaller "midget" cars have been developed, using storage battery power. These can be used in small drifts where nothing but hand cars could be used formerly.

In one of two instances, modernization has involved the use of more rather than less labor. Hand sorting of waste is becoming more and more common before ore is delivered to the ball mills. The split sorting belt has been found a considerable advantage for this type of work the last few years. It allows treatment of an ore grade that might not otherwise show a profit. Underground, mechanical sorting is finding an important place.

Greater speed in drilling faces and in the breaking of ore has called for a greater speed in ore tramming. Besides bringing about development of "midget" powered cars for use in small drifts underground, conveying equipment has been speeded up and made more dependable above ground — often by installing larger conveying units—while hoists and skips for the intermediate delivery of ore show radical changes.

Conveying above ground has brought development of special trucks to carry ore from mine to mill. International Nickel Co., for instance, used tremendous vehicles to carry ore from its Frood open pit to the concentrator. These are supposed to be the largest trucks in use on this continent. Metal for their construction comes from the pit in which they work.

Trucking ore to mills—a comparatively recent development in eastern Canada — not only has meant substantial profit for the companies concerned, but has often given the funds for mill construction. Powell Rouyn realized sufficient profits from trucking ore to Noranda to build its mill. Broulan Porcupine similarly made enough profit from trucking ore to the Mace mill to build its own 300-ton unit. Senator-Rouyn partially financed its mill by leasing the Arntfield Mill. A special road was constructed for trucking.

Special problems in diamond drilling have resulted in development of technique to cope with new conditions. At Steep Rock Iron Mines, for instance, it was first found impossible to get drill bits to enter the very hard iron ore. This problem has now been solved and iron ore no longer grinds out all the diamonds from the metal holding end in the bit.

Cable Improvements

Even in cables for hoists and other equipment, significant improvements have been made. Cables have been developed with a smaller degree of internal stress among the wires that make up the cable. This gives less "whip" to the cable and wear and tear becomes less, considerably reducing cable costs. Research engineers have also developed cables that "spool" well. This has the two-fold effect of giving rapid, efficient operation and a long-wearing cable.

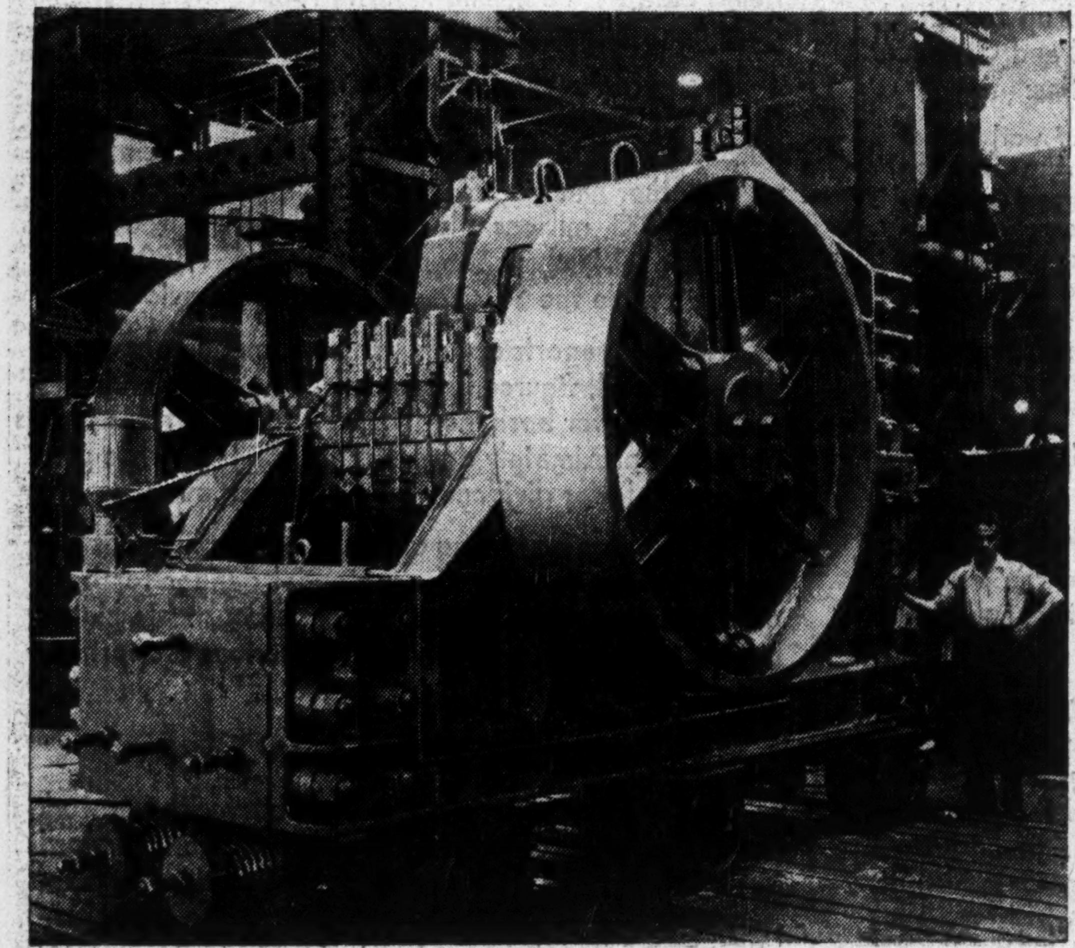
One of the trends in mining equipment since the outbreak of war is to greater standardization. The number of steel shapes produced for the mining industry is being sharply reduced. While this may cause some temporary embarrassment, favorable results may eventually result.

Standardization has been the key to very low costs in many industries and war may bring about a very desirable trend in the mining industry. Much of Canada's mining equipment comes from the United States, and many Canadian equipment firms are subsidiaries of American concerns. From this standpoint, Canadians appreciate that United States is treating requirements of Canada's mining industry just the same as those of its own domestic industry. As long as steel is being supplied to American industry, it will likely be supplied to similar Canadian industry, it was stated by an American official recently. A new trend is expected in the near future that may call for all the craft of Canada's engineering firms to further modernize equipment.

Treatment of marginal ore deposits is projected in order to increase Canada's gold production. If these deposits are to be treated on an economic basis, the most modern equipment will have to be used. Many of the deposits will probably require special mining technique and perhaps even new types of equipment.

Opening up of deposits of strategic minerals will also call for types of equipment with which Canadians are relatively unfamiliar.

Shortage of labor has not had any serious effect as yet on the mines, but a shortage is closer now than at any time since the war started. Canada's surplus of labor is rapidly approaching the vanishing point and firms will soon be hanging out the man wanted sign. While miners are on the "reserved occupation" list, the need for technical help in war industry and in the armed forces has reached into the mines for chemists and engineers. Mines more and more are having to depend on practical help and students from universities. Before more technical men are lost many mines over the next year may install the latest equipment available.



A giant jaw crusher in a Canadian mine.

Noranda Mines Demonstrates Ingenuity With Unloader

Considerable tonnages of concentrates are received in open-end cars at Noranda Mines. As these concentrates could only be unloaded onto conveyor belts by hand at great expense, special equipment has been developed to take care of the work.

Noranda, in conjunction with Speeder Machinery Co., has developed a successful machine for unloading the concentrates. The Speeder company built a special shovel, mounted on a 56-in.-gauge Caterpillar D6 tractor. Because the regular boom and dipper stick would prove awkward in the narrow quarters at the head of the conveyor belt and the standard bucket would be hard to handle, a 12-ft. boom, a 10-ft. dipper stick, and a ¼-cu. yd. bucket were provided.

A steel ramp, mounted on wheels with a level section long enough for the shovel to start working, is hooked onto a string of loaded cars. The tractor-shovel climbs the ramp, the car door is let down, and the shovel goes to work.

Cables anchor the shovel to a certain spot near the belt and, as it eats its way up to the car, the tracks are engaged to move the cars under the tractor to the desired position. Thus the loader handles its own cars, increasing its production and leaving switch engines free to do other jobs.

Since the shovel has been in service, smelter officials state that the work has been done at about one third the cost of unloading by hand. The saving will amortize the first cost of the machine, after which the unit cost will naturally be lower.

Mining Experts Aid War Effort

Technical personnel in both mining and engineering industries has been mobilized by the recently-formed Wartime Bureau of Technical Personnel.

The Bureau was formed by the Canadian Institute of Mining and Metallurgy, the Canadian Institute of Chemistry and the Engineering Institute of Canada, acting in cooperation with the Dominion Department of Labor.

The principle function of the Bureau will be to determine the most efficient method of mobilizing technical personnel to meet the needs of wartime industry, at the same time protecting essential industries against the withdrawal of men whose services are necessary to continuance of operations.

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AT EVERY LEVEL!

WITH almost incredible swiftness Canada's automotive and aircraft industries have marshalled their resources for war — to mechanize the Empire forces and to win supremacy in the air.

A most important unit in this vast defensive scheme is Thompson Products Ltd., St. Catharines, Ontario — suppliers of essential automotive and aircraft parts — and every last "Thompsonite" has tightened his belt for the task. In the production of Liddicoat Detachable Drill Bits, Thompson Products are also assisting Canadian mines to feed the needs of war through increased production.

Modern science and fine craftsmanship make metal work miracles — and this is truly reflected in Liddicoat Bits. Scientifically correct in design, forged of the highest grade steel to weather the terrific punishment of drill machines, these bits have smoothed and accelerated operations in many Canadian mines with a marked decrease in drilling costs. The resharpening feature further emphasizes the economies effected by Liddicoat Bits.

Many leading engineers endorse the practical efficiency of Liddicoat Bits as a unique and invaluable contribution to the Canadian mining industry.

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FOR PARTICULARS WRITE: Thompson Products, Ltd.
ST. CATHARINES, ONTARIO, CANADA
SUPPLIERS TO THE AUTOMOTIVE, AIRCRAFT AND MINING INDUSTRIES

Alloy Developments Aid Efficiency

Engineering Science Producing New Metals That Do Jobs Better

Metals themselves are progressively playing a more important rôle in tapping the mineral wealth of Canada's north country.

In fact, development of alloy metals has ushered in practically a new era in mining—an era of light, easily handled equipment with remarkable endurance to wear—equipment that is a tremendous advance in the constant drive for greater efficiency and lower costs.

No longer need equipment be bulky and heavy to be reliable. Now a mine's light equipment is usually its best. Not only is it more reliable, but it takes less power to operate. From the standpoint of equipment manufacture, cost of the alloy required is largely offset by the saving in metal possible.

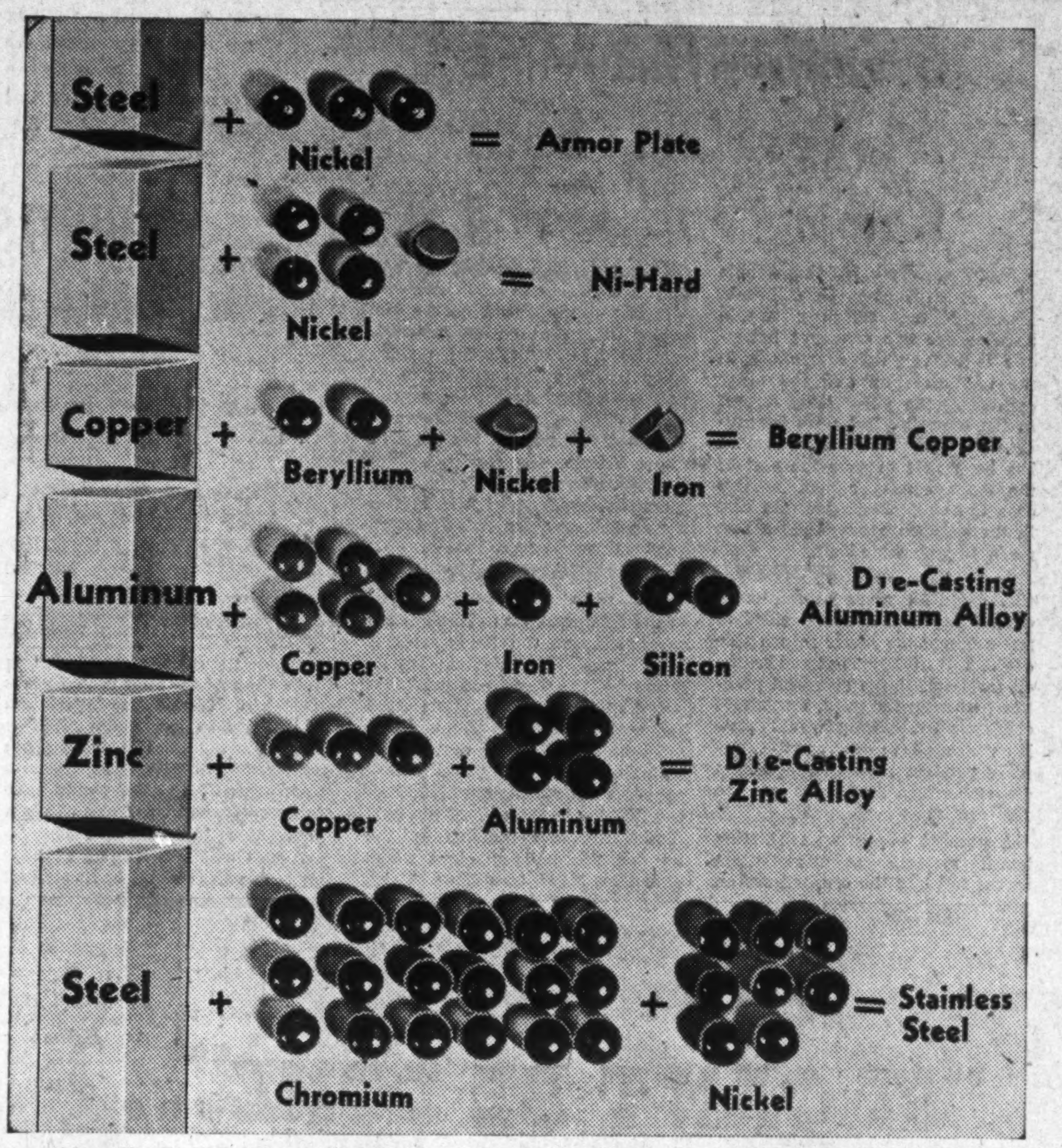
Every time a new alloy is developed, some new development in mining equipment is likely. Light weight, resistance to erosion and great strength are all alloy qualities particularly valuable in equipping a mine.

Alloy metals are equally—perhaps more—important in mine supplies. When drill steel is further toughened by the use of alloys a saving is possible in the amount of drill steel that must be purchased. Just now when economy of steel is essential, this is of more than ordinary importance. Grinding balls for reducing ore in ball mills are another example. Forged steel grinding balls give longer life and better service as well. The modern grinding ball is hardened not just on the surface but right through to the centre. This gives their long-wearing qualities.

Scoop Tip Experience

One Canadian gold mine was able to make an important saving in ore scoop tips recently. "Mitchalloy B" tips of chilled nickel-chromium iron were substituted for the plain white iron scoop tips previously used. Life of the new tips is 136 operating days covering 26,000 tons of ore against an average life of only 34 days and 6,000 tons of ore for the old scoop tips. Besides the saving in tips, there is the saving in time needed for changing these tips.

Up in Canada's Athabaska area another problem in connection with scoop tips is gradually being worked out, using alloys. Abasand Oils has developed what officials believe is a commercial process for extracting oil from the extensive tar sands in that area. Serious difficulties have been encountered due to abrasive qualities of the sand which plays havoc with the digging equipment. Use of alloys has partially solved this problem and it is anticipated that further experimentation with alloys will give the complete answer. Alloys thus may be an important factor in making it possible for these great oil reserves in Canada's northland to be operated commercially.


Steel + Nickel = Armor Plate
Steel + Nickel = Ni-Hard
Copper + Beryllium + Nickel + Iron = Beryllium Copper
Aluminum + Copper + Iron + Silicon Die-Casting Aluminum Alloy
Zinc + Copper + Aluminum = Die-Casting Zinc Alloy
Steel + Chromium + Nickel = Stainless Steel

Here The Financial Post photographer shows in simple form some of the principal alloy formulae. Each marble represents 1% of the final alloy, the major element in the alloy being shown in the left-hand column. Most common recipe for armor plate is 3% nickel, balance steel. Other tough nickel steels range up to 5% nickel content, Ni-Hard, used for ball-mill liners, carries 4½%. Die-cast metals often lack strength, may be brittle, but are light and resist corrosion.

Ni-Hard nickel alloy iron has numerous applications where abrasive wear takes a terrific toll from inferior materials. A nickel-chromium cast iron has come into increasing use for grinding balls, having given considerably improved performance over unalloyed iron or steel balls. High-test nickel-molybdenum cast iron is now being employed for several 25-foot diameter hoist drums installed by two leading mining companies.

For ore cars, high tensile copper-nickel steel plate is effecting appreciable weight reductions and also offers increased resistance to corrosion and abrasion.

Stainless steel ore screens and S-monel matrices for the diamonds in drill bits are other nickel alloy applications which offer considerable promise. At one large mine, churn drill bits of a nickel-chromium-molybdenum steel have performed considerably better than standard borts of high carbon tool steel.

In mine power plants, alloys are playing their part. Both steam and electric generating plants now employ alloys of nickel for numerous applications. These include nickel-chromium-molybdenum steels for high-pressure valves and fittings; K-monel for pump rods, valve seats and stems; and nickel cast irons for compressor parts.

A new high-speed centrifugal compressor operating at over 7,000 r.p.m. uses an impeller of heat-treated 3½% nickel steel to resist the high stresses developed in the operation.

Aluminum Useful Metal

Although use of aluminum in mining is being restricted somewhat during the present tight situation, the metal has become an increasingly important factor in efficient mining over the last few years. Aluminum is almost as important in mining as it is for making airplanes.

For instance, aluminum shovels are non-sparking—an important item in coal mining where inflammable gases are almost always present to some degree. Pit car loaders made of aluminum too weigh only 1,308 lb. against 2,382 lb. for similar steel loaders, plus the added advantage of easier handling.

In metal mines, use of aluminum means a saving of 46% in weight. There is a saving not only in power but in capacity requirements of mine cages, hoists and locomotives.

Weight Saving 43%

Mine cages in which aluminum is used have decided advantages. These usually involve aluminum structural shapes, rectangular bar and plate with all accessories of steel. Weight saving is 43%. Advantages are increased safety, longer life for hoist cables and lower power consumption.

Skips for bringing up the ore are similar to mine cages. A saving of up to 50% in weight is possible using lighter aluminum skips. Depth of operation can then be increased from 2,000 to 3,000 ft. without increasing hoisting equipment. An important power saving is effected.

One Canadian copper mine is using an aerial tramway bucket and carriers in which aluminum plays an important part. Saving in weight is 33%. Aluminum replaces copper-bearing steel in this case because of its light weight and its resistance to corrosion.

Dust Prevents Silicosis

As development of alloy metals proceeds, there is no doubt that aluminum will find an even more important place—if supplies are available.

Aluminum dust will likely be used extensively in mines to prevent silicosis from affecting miners' lungs. Research work has revealed its value in this respect.

Costs of modern alloy equipment may mean a somewhat higher initial outlay than the equipment of yesterday, but in the long run it may almost always prove considerably cheaper. If equipment will last twice as long, it is certainly worth close to twice as much to the mine operator—especially in times like the present when equipment may become hard to replace. Elimination of breakdowns means more continuous operations and higher profits.

In mines, battery-powered locomotives play a large part in transporting ore to ore chutes. Many of these locomotives use nickel-iron-alkaline batteries. Even in refractories used in mining, special metals play an important part. Chromium is an important constituent of certain types of refractories required by metallurgical industries. As an alloy metal, chromium is used to counteract effects of wear and abrasion but in this instance it finds its value from opposite qualities.

Electrical Equipment Use

Electrical equipment being installed in mines today, of course, makes wide use of alloy metals. Weight saving is important in electrical equipment which may have to be shipped thousands of miles.

In boilers, alloy metals must be used. Ordinary metal won't stand up under very high pressures. The same is true of tubing where high pressures are involved. Use of alloy metals, of course, allows manufacture of even more powerful boilers—an important item when some mines have to depend solely on boiler-generated power.

Some of the mines have their own hydro-electric power developments. Special alloy steel turbine blades have increased the length of life of this part of equipment. Finely divided dirt in the water stream will dent or pit turbine blades when travelling at great velocity. Use of nickel steel reduces this turbine blade wear to a large degree.

Less Bearing Failure

Special alloy metal is proving of ever greater importance for bearings used in electrical equipment. Bearings were formerly a place where equipment failure was not unexpected. This has been greatly reduced with the introduction of superior alloys.

In smelting operations, alloy steel has found an important place. This country's resources of copper, nickel, lead and zinc ore are usually accompanied by a considerable sulphur content. Unfortunately sulphur plays havoc with ordinary steel. Special alloy steel is necessary if waste gas from reverberatory furnaces is to be kept from damaging equipment seriously. When the gases are treated to secure production of sulphuric acid, non-corrosive alloy metals find an essential place.

Headway Made In Study Of Rock Bursts

How serious are rock bursts? Probably no Canadian mining problem has been more exaggerated than this according to engineers.

Here are some facts:

Seven is the largest number of men killed in any year by rock bursts in all Canadian mines. In the most severe burst ever recorded in a Canadian mine only four people were killed.

In most areas deep mining is not accompanied by rock bursts.

In the numerous mines of the Porcupine area there has only been one rock burst, and that was a very minor one which caused no injury to any workman. Although there have been bursts in the Sudbury nickel-copper mines, including a few heavy ones, none has resulted in fatalities.

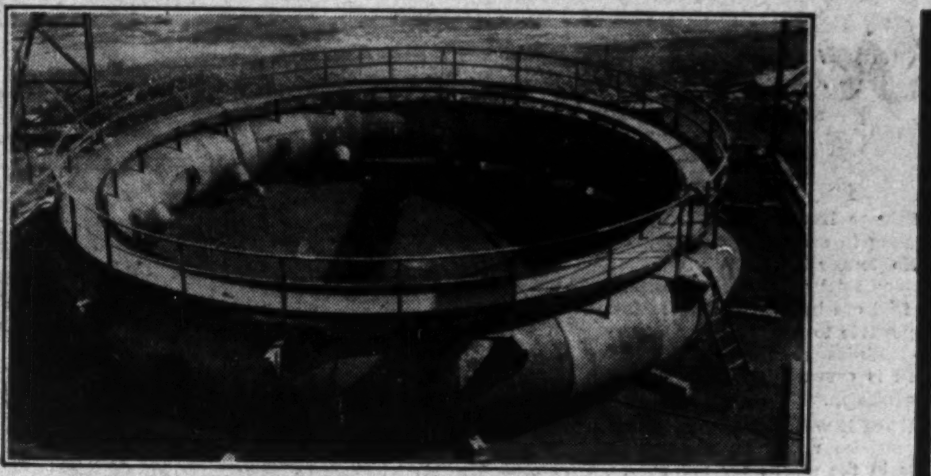
According to Dr. G. B. Langford, who has made a study of the rock burst problem, the comparative immunity of Canadian mines from rock bursts is due in large measure to results of the intensive study that has been made of these phenomena in mines where bursts have been experienced, both by mine operators and by experts and commissions appointed by the provincial governments.

Methods Important

Up to the present, however, investigations in Canada as in other countries have failed to discover any underlying cause of bursts, nor has any device been perfected for predicting when they are likely to occur. The problem is complicated by factors such as the type of rock, its attitude or structure and degree of alteration, the size and character of the ore body and the method of mining employed. Of these the last is the only one that is controllable, and up to the present this has afforded the main point of attack in the problem.

The endeavor has been to adopt mining methods that will allow the rock to fall by a succession of small, more or less controlled blasts, rather than by a sudden severe burst. A gratifying feature noted by Dr. Langford is that in recent years the pure scientist has been called upon to assist the engineer in this problem of combatting rock bursts. As a result of this teamwork it is not impossible that the severity and frequency of rock bursts will be decreased.

Rock bursts are a natural consequence of deep mining—but they are a consequence whose importance science is now engaging in reducing to a minimum.



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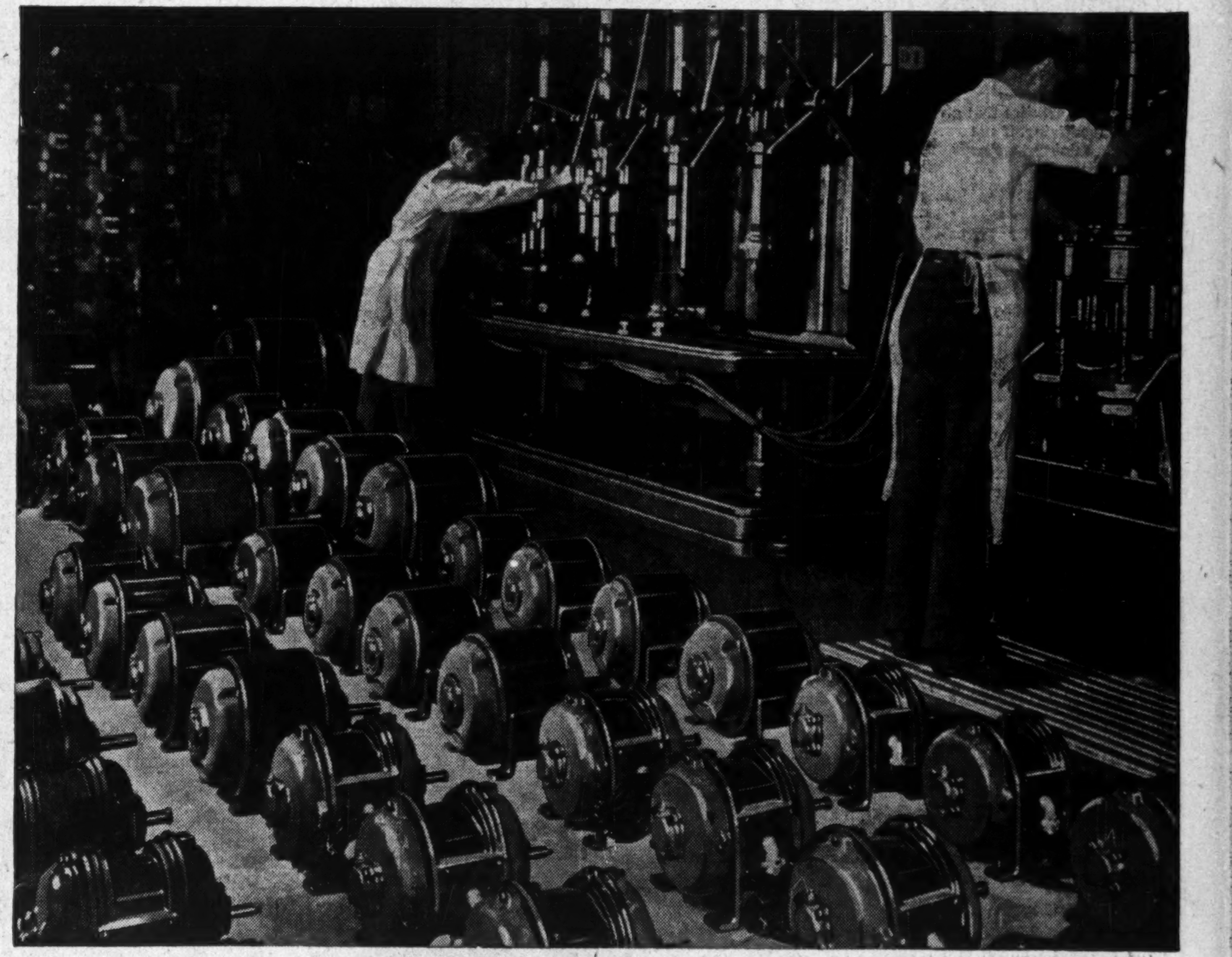

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EVERY day, from the Peterborough Works of Canadian General Electric Company, come hundreds of synchronous, induction and direct-current motors. These workhorses of modern industry go into immediate action to drive the machines that make guns, tanks, shells, ships, planes, everything in whole or part that adds up to victory.

Almost a sixth of a mile in length is the huge machine shop at Peterborough Works. As one walks its long avenue one sees precision machines, geared up to war-time effort, building motors of every description, for every purpose; generators for power companies; equipment for steel mills; drives for mine hoists . . . all means for making "the tools to finish the job."

For nearly half a century Canadian General Electric engineers and craftsmen have been finding ways to make electricity more useful. Today, they are applying electricity to the task of defending the benefits that it has helped to create.

G-E research saves the Canadian public hundreds of thousands of dollars annually.

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Science Goes To Work in Prospecting

Method of Surveying Conditions Below Surface Wins Established Place in Development

Science has helped mine prospecting in an important way.

No longer does the prospector depend solely on surface showings to find ore bodies. Science makes it possible to get some idea of ore possibilities even when the bed rock is covered by many feet of overburden.

When it was first suggested that geophysics might be a powerful ally in the search for ore bodies, mining men were dubious. Now, however, geophysical prospecting has an established place in the mine development field.

Aids War Metal Search

It now appears that "war minerals" may be a fertile field for the application of geophysical prospecting. Tin, vanadium, tungsten, antimony, manganese, chromium, cinnabar, etc., have no physical characteristics which are sufficiently different from the country rock to permit their direct location by ordinary geophysical methods, but geophysics claims the ability to outline favorable structural features or geological conditions for the finding of such ores; even the accumulation of oil.

In the early stages of geophysical prospecting for ore, over 20 years ago, the first practical attempts were tried out under fairly favorable conditions, and outstanding results were obtained. Excellent results were obtained in finding ore bodies in Sweden. Not only were discoveries made, but ore deposits were outlined with considerable accuracy.

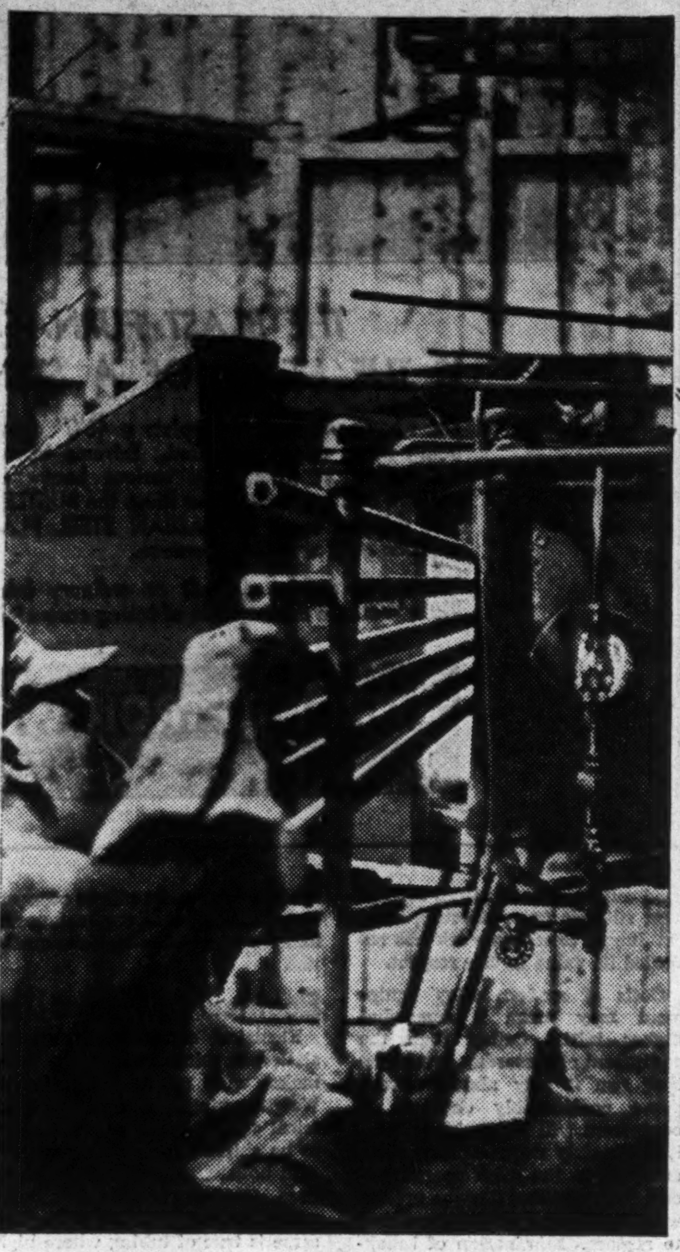
Not Always Successful

In other cases results have been much less successful, bluntly, failures. Various complications arise in using the magnetic and electrical equipment of geophysical prospecting.

Magnetic qualities of rock formation are often confusing and give reactions similar to those created by favorable structure or mineralization. The ground is often found to be a network of electrical conductors, such as zones of fracturing and shearing and areas of higher porosity carrying water or solutions. Pyrites and graphite are two conductive minerals distributed in the earth. They occur along fractures, air contacts, in zones of alteration and in many different ways. Oxidation of organic material may give misleading reactions.

Geophysical science, however, is getting to a stage where it has learned ways of detecting such misleading situations.

Co-relating results of geological investigations with results of magnetic surveys is some help. By transferring results and experience from known fields into a new area, where similar conditions exist, some very good results have been obtained. By painstaking detail work and geological study, it is often possible to translate geophysical results into terms of geology.



Drills make mines and engineers have recently been making some outstanding improvements to this type of equipment.

In such ways it has been possible to eliminate thousands of ore indications as of no commercial interest. This alone is of outstanding importance.

But latest developments in this field relate to geochemical and radio-activity methods. These may make it possible to indicate what metals deposit contain, as well as places where it is the richest—certainly a great step forward. Most metals are, to a large degree, soluble in water. It has been established that soil and ground water in the immediate vicinity of an ore body contain traces of the metals present in the deposit. Therefore direct indication of the metal in the ore body may be obtained by systematically analyzing samples of ground water and soil. Modern instruments make it possible to detect and measure infinitesimal quantities.

How Plants Can Help

And nature has helped since growing trees and plants carry out a very efficient concentration. By collecting and analyzing leaves or fragments from plants or trees, geophysicists claim a good average of the metal content is obtained from a large area of ground. In areas where no ground movements have taken place, the greatest concentration of values is generally found right above the ore body. Good results are on record in Canada and Newfoundland, in spite of overburden as heavy as 30 to 40 feet.

It has been found that some ores contain a great many more radioactive elements than the surrounding country rock, and, in such cases, owing to the extreme sensitivity of these methods, the most illusive ore may be indicated.

By systematic determination of the radio-activity effects on rock it is possible to select the bulk which is connected with the mineralization as well as to locate the portion of a zone where it is most likely to find ore at depth.

Geophysics has reached the stage where it is possible to determine, not only where to dig or drill to find the richest portion of an ore body, but also with reasonable certainty, to predict what metals will be encountered.

Savings—This Mine Makes 'em Both Coming and Going

A belt conveyor is doing double duty at Francoeur Gold Mines. Normally the company would have to use two conveyor belts—one to convey the coarse ore in the one direction and the other conveying the pulverizing output in the opposite. But with ingenuity, the Francoeur management has been able to save the cost of the extra conveyor belt. In this case the extra belting would cost in the neighborhood of $25 a foot for a 16-inch wide belt.

So that the company's installation could be made at minimum capital expense, it was decided to make use of the lower return side of the belt in carrying back crushed material. If the standard practice had been followed, a separate conveyor 30 ft. long would have been needed to convey the finished product back to the bucket elevator which discharges into the fine ore bin.

A special chute with skirting board material at the bottom serves to place the crushed ore on the lower return part of the belt and a "V" scraper is used for scraping it off ahead of the tail pulley at the other end when it reaches its destination. No difficulty has been experienced with material pulling back over the tail pulley. The system at Francoeur, however, has proved trouble free under all the ore conditions encountered so far. The only extra attention required of this belt is the replacing of the rubber facing on the scraper once a month.

The question of belt wear is the one which must be accounted for in the final analysis to justify such an installation. To begin with it is admitted that such an installation in the long run will not prove as efficient as the standard two-belt installation. However, it must be remembered that in the $750 cost of installing such a belt conveyor approximately $150 is accounted for in the cost of the belt. Again, it must be realized that the life of the belt is eight years under standard conditions. Then, if the actual life obtained by using both sides of the belt is two years it is profitable to use both sides of the belt and renew it five times for a total life of 10 years rather than install two conveyors upon which both sides would have to be renewed at the end of eight years at a total cost of $300.

A belt which is subject to wear on both sides should have at least ¼ of an inch of rubber on both sides as a cover for the cord. The additional rubber on the one side will only increase the total cost of the belt by 1½% which does not alter the analysis appreciably.

As the situation stands, a belt conveyor has been installed and operated in such a manner as to eliminate the necessity of installing a parallel conveyor

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Mechanical Muckers Popular Development in Many Mines

Mechanization of underground loading in metal mines marks a trend in current practice that gives promise of modifying, if not revolutionizing, mining methods at many properties.

Adopted widely at the larger mines today, after the mining industry has witnessed years of effort with steadily improving designs, mechanical loading machines are now being used in properties where production runs as low as 100 to 200 tons per day.

In small mines, it sometimes is necessary to adopt mining methods so that the loading machine may be used. In spite of re-oriented mining methods in some cases, the introduction of mechanized loading usually is found a great step forward in mining efficiency.

In one mine that has relatively narrow veins only 1½ to 2 ft. wide, mechanical mucking has resulted in a drop of 35% in the cost of mucking ore. While this saving was made, miners averaged 20% higher pay working on a contract basis.

This mine has been unable to make the best use of its loading equipment because development headings are scattered at widely separated points in the mine; saving would be even greater with a fuller utilization of the machine.

At one small Canadian gold mine, mechanical loading has been found to facilitate handling ore from stope preparation. Besides this, however, the machine is used in mucking out distant and wide headings.

Four Freighting Firms Busy

As a result of traffic growing up in recent years from the head of rail at Waterways, Alberta, to the North West Territories, four water freighting companies have placed modern marine fleets in operation. These are Hudson's Bay Co., Northern Transportation, McInnes Products Corp., and the Yellowknife Transport.

Hudson's Bay Co. has 13 steam and Diesel-powered vessels with a combined carrying capacity of about 3,000 tons operating on regular schedule right up to the Arctic. Northern Transportation Co. has 10 Diesel-powered vessels with 2,800 tons carrying capacity.

Yellowknife Transport has four tugs and six barges with a combined capacity of 630 tons. The McInnes Products Corp. has four tugs of about the same capacity.

Volume of freight is expected to increase this year.

Symbolic figure of a key war industry

Algoma's Hydro Electric capacity expanded 17 times since last Great War

THE Helen Mine of The Algoma Ore Properties Limited, Canada's sole iron ore producer, is now firmly established as a successful source of iron ore and an important factor in Canada's war effort. Complete electrification contributed to this success.

The iron ore moves down the lakes through Michipicoten Harbour where electric loading facilities on the docks of The Algoma Central and Hudson's Bay Railway Company expedite this movement.

Cline Lake O'Brien is established as a successful producer and takes the fullest advantage of electrical facilities.

Algoma Steel Corporation's largely increased operations have been facilitated by an abundant supply of cheap electricity.

The Chromium Mining and Smelting Corporation is now operating on a large scale, and its operation is based on the supply of large quantities of cheap electrical energy.

The Dominion Oxygen Company and other smaller industries have expanded during the year.

Industry here is absorbing 70% more electricity than it did when war commenced.

A new unit of 12,000 H.P. is being put into operation immediately.

The installed capacity for the production of Hydro Electric energy has now increased seventeen times since the Company's formation during the last great war and explains Algoma and Sault Ste. Marie's ability to play such an important part in the industrial and war economy in this country at the present time.

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CANADA'S mineral wealth is already the envy of the world and its development, in a systematic way, is still proceeding. The capital invested in Canadian mining enterprises is represented, in many instances, by securities engraved and printed by this company.

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"IT CAN'T BE DONE"...

"This province ever use 100,000 horsepower of Hydro electricity?—absurd!" . . . "Develop cheap Hydro power from waters locked in a wilderness of bush? —it can't be done!" . . . So they said, not so many years ago.

but Ontario did it!

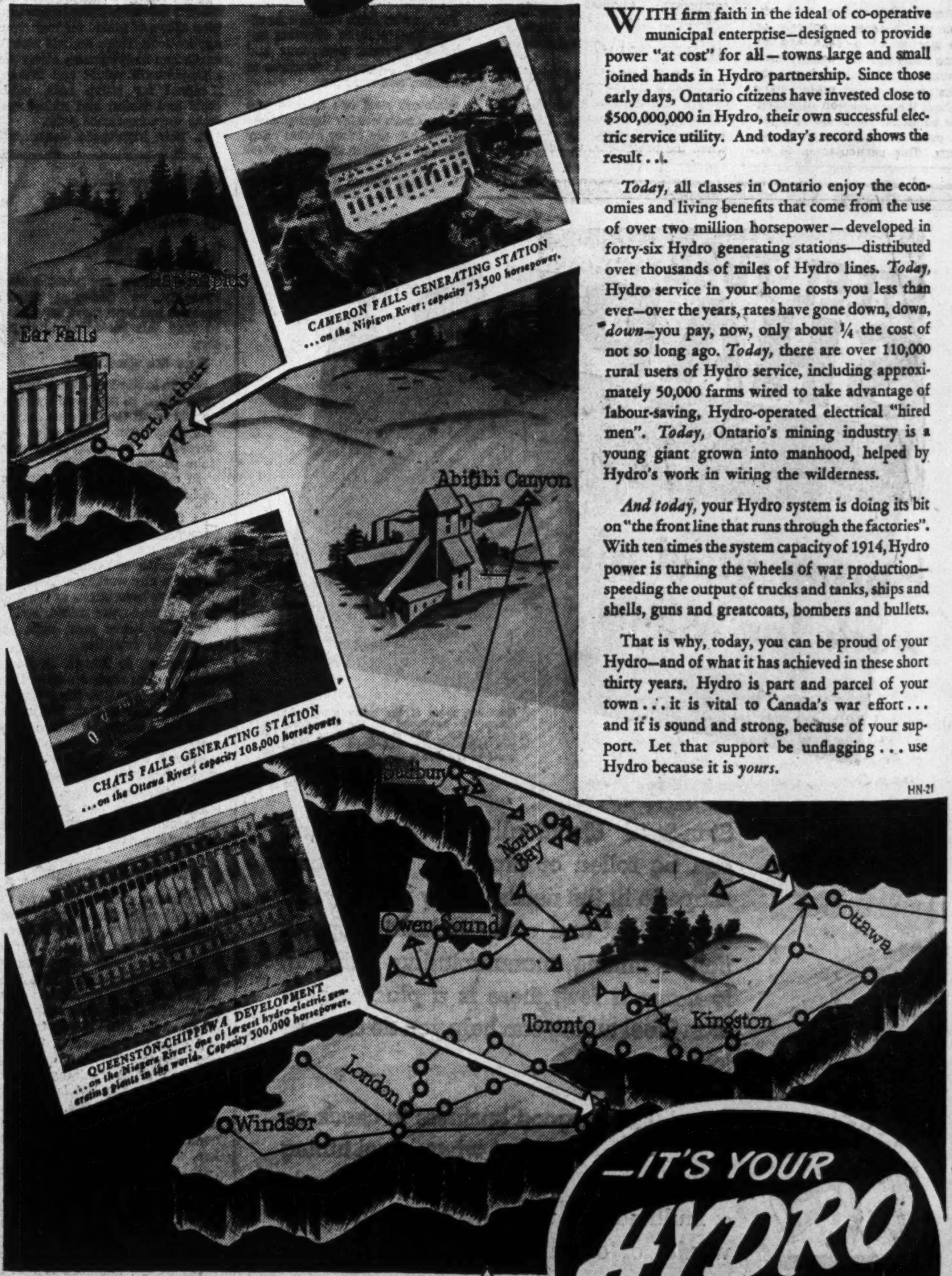
WITH firm faith in the ideal of co-operative municipal enterprise—designed to provide power "at cost" for all—towns large and small joined hands in Hydro partnership. Since those early days, Ontario citizens have invested close to $500,000,000 in Hydro, their own successful electric service utility. And today's record shows the result . . .

Today, all classes in Ontario enjoy the economies and living benefits that come from the use of over two million horsepower—developed in forty-six Hydro generating stations—distributed over thousands of miles of Hydro lines. *Today*, Hydro service in your home costs you less than ever—over the years, rates have gone down, down, *down*—you pay, now, only about ¼ the cost of not so long ago. *Today*, there are over 110,000 rural users of Hydro service, including approximately 50,000 farms wired to take advantage of labour-saving, Hydro-operated electrical "hired men". *Today*, Ontario's mining industry is a young giant grown into manhood, helped by Hydro's work in wiring the wilderness.

And today, your Hydro system is doing its bit on "the front line that runs through the factories". With ten times the system capacity of 1914, Hydro power is turning the wheels of war production—speeding the output of trucks and tanks, ships and shells, guns and greatcoats, bombers and bullets.

That is why, today, you can be proud of your Hydro—and of what it has achieved in these short thirty years. Hydro is part and parcel of your town . . . it is vital to Canada's war effort . . . and if is sound and strong, because of your support. Let that support be unflagging . . . use Hydro because it is *yours*.

HN-21



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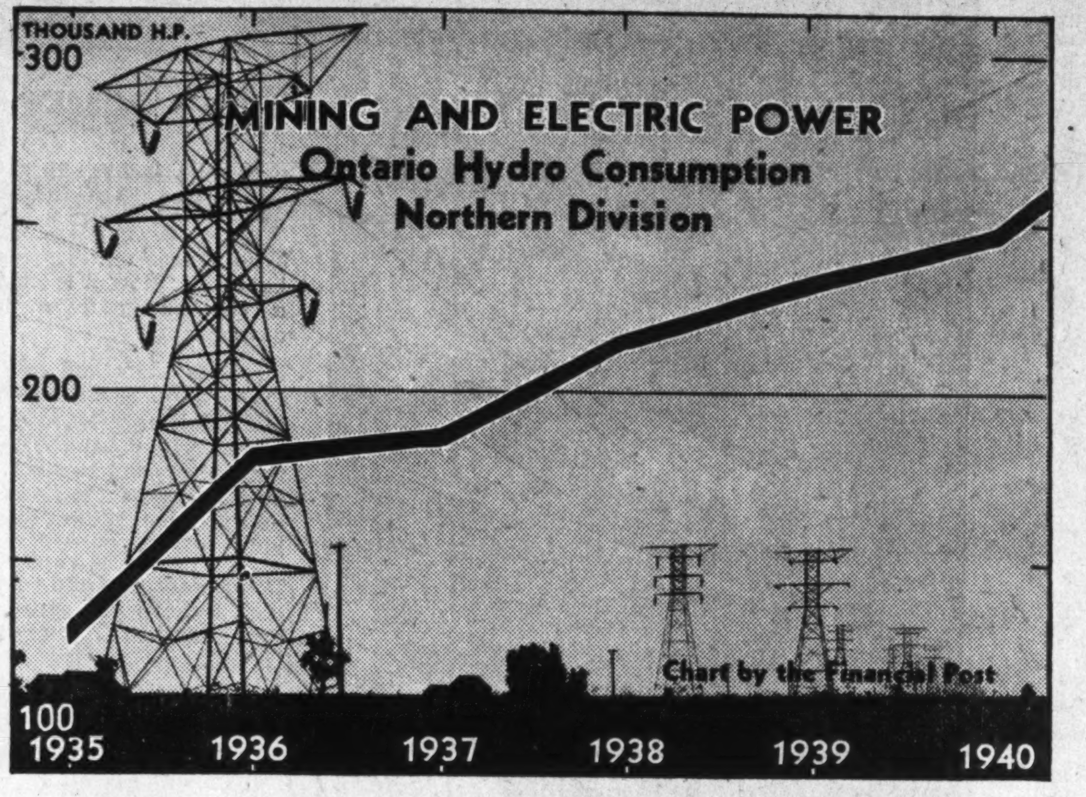
THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

How Science Cut Mine Power Costs

Engineers Devise Means of Controlling Peak Load Demands



With power costs forming a large proportion of total costs at most modern up-to-date mines, methods which engineers have devised at one Ontario gold mine to give it important savings on its power bill are significant of the work the scientist is doing in many phases of industry.

Power charges for the mines are based on maximum peak demand in horsepower which may be registered at any period during a given month, at a basic cost per horsepower per month.

It is evident from this that close control must be maintained over any sudden increases in the peak load due to sudden rise in demands for short periods of time. And to give a wider margin it is sometimes possible to switch some operations to times of the day when consumption is otherwise well below normal.

Controller Results

A peak load controller has been developed which gives good results in maintaining the load at or below a fixed maximum. This controller is similar to the indicator type of demand meter, except that it is designed to control auxiliary circuits. On high peak loads it operates an alarm bell or an automatic unloading device that prevents a rise in maximum demand that would hoist the power bill. With this controller savings are possible where conditions are such that the apparatus can be operated intermittently without detriment to the efficiency and safety of operations as a whole.

This particular mine has replaced its peak controller with a new one of the photo-electric type. This is said to allow a more positive, accurate control over loads. Load curves for 24-hour periods were studied to determine how the peak load could be reduced.

One result was stopping crushing operations during rock-hoisting periods. When the ore bins were full, hoisting and crushing were resumed. The bins were of ample capacity to permit such a schedule.

Off-Peak Power

Pumping mine water with off-peak power depends entirely on the amount of seepage and on pump capacity. In some mines elimination of water from the workings is a major problem and without the installation of expensive equipment, it is not possible to pump only during off-peak hours. This particular mine enlarged its sumps—the space for water at the bottom of shafts—and found it possible to do the pumping in off-peak periods of power demand. This resulted in a substantial reduction in maximum peak demand.

When the company was engaged in a large shaft-sinking programme. investigation showed that a new saving in power was possible. It was found that the auxiliary hoist compressor—installed for the purpose of supplying air to the main hoist brakes in the event of failure of the main air supply—was of ample capacity to operate the protective doors in the head frame as well as the hoist breaks. This allowed the shut-down of the large compressor during rock-hoisting periods. During drilling operations the hoist was not used much and, therefore, the large compressor, in supplying air to the rock drills, did not create as great a power demand as did the combined operation of hoist and small compressor. Another substantial reduction in peak load.

"Load Factor"

In electric power terminology, the total kilowatts used for the month, expressed as a percentage of the maximum demand, is known as the "load factor." Therefore, when the power contract does not specify a penalty for load factors above a certain percentage, economies may be realized by using all available power. up to the maximum demand, for purposes or operations which otherwise would require the use of additional power or of fuel.

Besides using some of this available power for operation of machines during off-peak periods, this particular mine employs electricity for heating purposes wherever possible. An electric heating unit is to be installed in the dryhouse for the drying of work clothes during the summer. Another possible use for off-peak power is in preheating the feed water for the boilers and a study is being made to determine what saving might be effected thereby. Probably power costs in other departments may be decreased by similar investigation.

Motor Choice Saving

Some saving is often possible by the choice of electric motors for the operation of hoists. With the alternating-current motor, it is difficult to maintain the demand load at a reasonably low level, because of the increased power consumption at times when it is operating below synchronous speed.

However, in most mines the use of the alternating current motor for hoist duty, as against the direct current motor, is warranted by a lower first cost, and also because the power saving with the more expensive equipment is relatively small. But where heavy loads are hoisted from considerable depth, and where frequent lowering of unbalanced loads is necessary, higher economy is found with the direct current motor.

Constant checking of equipment is one important saving in power costs, although inspection may cause some interruption of operations. So is careful operation of equipment by employees, and proper regular lubrication.

Acceleration of Motors

Contrary, perhaps, to what the layman would have guessed, alternating current motors on hoists should be allowed to accelerate to full speed as rapidly as the automatic controls will permit. Controls are designed to reduce acceleration time to the minimum. Operators who retard this acceleration by hand controls are expensive.

Laying good track and keeping haulageways clear of rock is a power and machinery saver in reducing demand on locomotive storage batteries and in extending their life by minimizing shocks and jars.

An important economy experienced in many mines has been the installation originally of oversize equipment. Because growth has been the history of most successful Canadian mines, this initial foresight has given substantial dividends.

Flame Hardening Helps Drills Last Longer

Rock dust and water take a big toll of parts of drilling equipment through abrasion. As a means of combatting this condition, several mines have successfully worked out what is known as oxy-acetylene flame-hardening.

An interesting use of this flame hardening is its application to the feed screws of pneumatic rock drills, which wear rapidly and are expensive to replace.

Even when made of case-hardened steel, feed screws have to be replaced comparatively often since the hardened case is not deep enough to withstand abrasion for long. For increased wear resistance such parts are being made of S.A.E. 1045 steel and flame-hardened along the threads where greater hardness is needed.

Equipment Simple

The flame-hardening equipment used is very simple, and might be used for many similar flame-hardening operations. The drill feed screw is placed in a standard lathe and turned at approximately 125 r.p.m. A welding blowpipe equipped with a 7-flame head is mounted on the tool carriage of the lathe so that the flames impinge on the outside edge of the thread. A water quench consisting of a perforated ring of copper tubing is also mounted on the tool carriage, directly behind the heating head, and travels with it. The speed of travel along the length of the spinning feed screw is from 6 to 8 inches per minute.

Screw Sizes

The average feed screw hardened by this process is approximately 1⅛ to 1¼ inches in diameter with about five threads, 5/32 inch high, per inch. During the operation, care is taken to limit the hardening effect to only the top half of the thread, by adjusting the rate of heating and quenching temperature, so that the hardened case does not extend to the root of the thread. By restricting the hardening effect to this area, the shaft itself is unaffected, and if any distortion occurs it can be readily corrected by cold-bending. Actual hardening time is 7 minutes.

The economy of this method is in the fact that direct cost per flame-hardened screw is around 85 cents, a small fraction of the cost of a new part. Flame-hardening at least doubles the life of these ecrews with an expectation that even this increase may be exceeded.

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INSUL-ATED Mine and Industrial Siding (5/8")

Factory Siding for all-weather protection and insulation

For industrial building, addition and alteration on wood frame walls. Speeds construction, cuts waste, saves fuel.

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New Balancer Helps Beat Vibration

To get away from vibration in heavy rotating machinery, Canadian General Electric Co. has produced a portable dynamic balancing equipment for use wherever rotating masses require balancing to eliminate vibration. Vibration not only causes serious repairs for vibrating machines but can easily damage nearby equipment which is affected.

Being portable, the new device permits successful balancing of rotating equipment without removal of the rotor from the machine and the balancing of rotors that are too heavy for previously available portable balancing machines.

Because the balance is made under operating conditions this equipment improves the quality of the results, as the changes effected by load and by the foundations are included.

It has been found a time saver in balancing auxiliary equipment in central stations and manufacturing plants, as the number of trial runs required is reduced to a minimum of three. In some cases it is essential to perform balancing operations with this equipment as it is frequently impractical to balance rotating machines by trial and error method.

The new device is a self-contained precision instrument capable of measuring the amount and phase angle of unbalanced vibration present in the bearing pedestals of a rotating machine running in its own or substitute bearings at any speed between about 600 and 5,000 r.p.m.

Inco Has High Safety Record

International Nickel has had one of the best accident experiences of any mining company in the north, according to a report submitted by Robert C. Stanley, president, at the annual meeting this week. He said:

"The matter of accident prevention is of great importance. Your company has made large expenditures in carrying on a campaign in which every employee plays his part. This investment accrues to the benefit of every employee and shareholder in that there are less accidents per shift worked, less lost time per accident, and lower compensation costs.

"Your management considers organized accident prevention to be one of the most important social obligations of industry."

Horton Steel plate work for MINING

No matter what your requirements in the way of steel tanks or plate work may be, we are equipped to furnish it to your complete satisfaction. The picture above shows an elevated tank for gravity water pressure, built at a mine in Ontario. The lower view shows a Hortonsphere for pressure storage of ammonia, and several small acid tanks, located at a British Columbia mine.

In addition to the mining equipment shown here we also build air receivers, bins and hoppers, digesters, agitators, condensers, retorts, steel pipe, and thickener tanks. If your mining operation needs new or additional equipment made of steel plate, write our nearest office for complete information or tenders.

HORTON STEEL WORKS LIMITED

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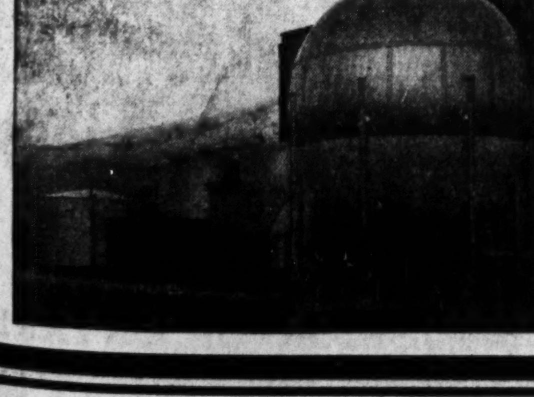

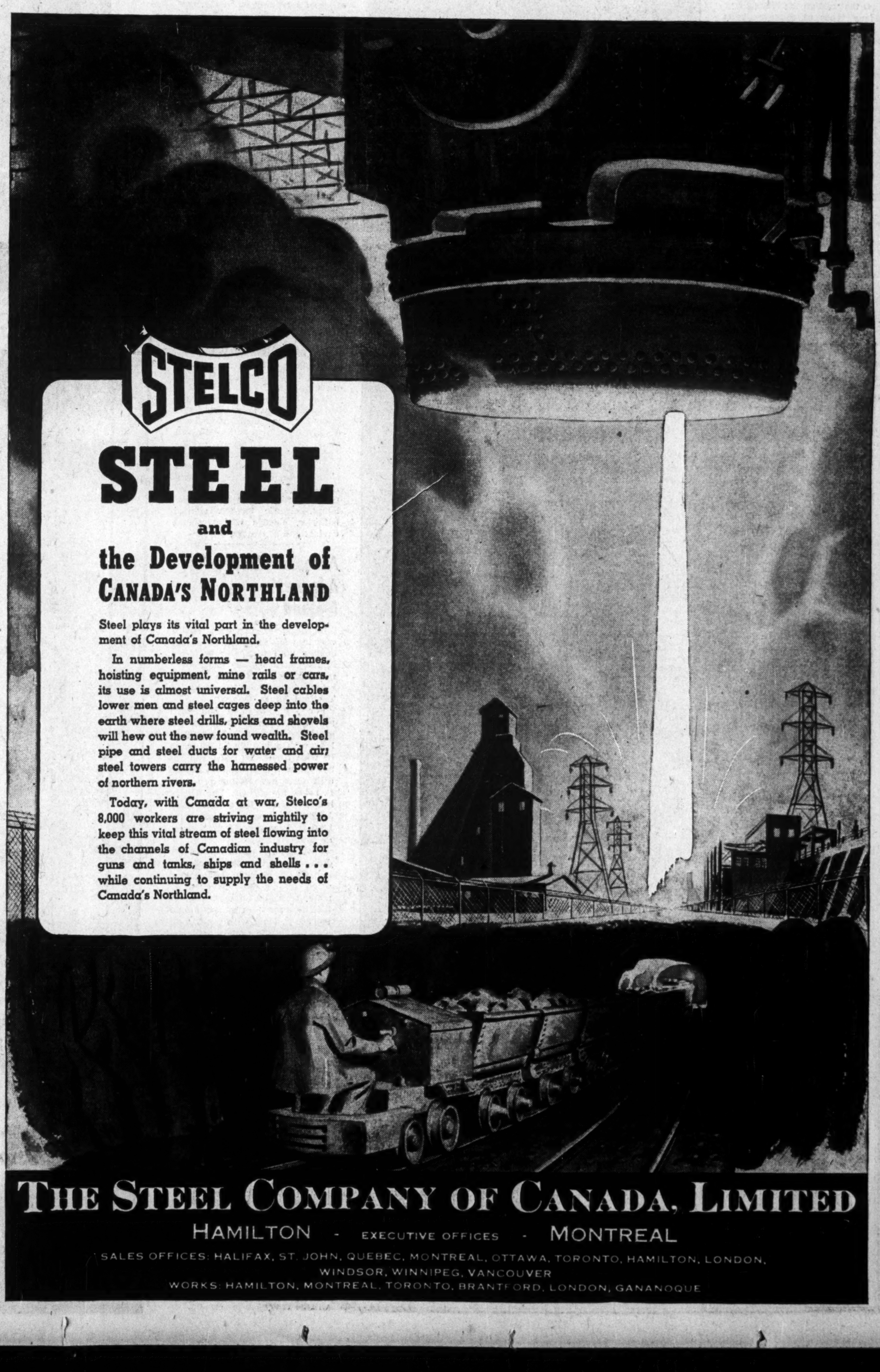

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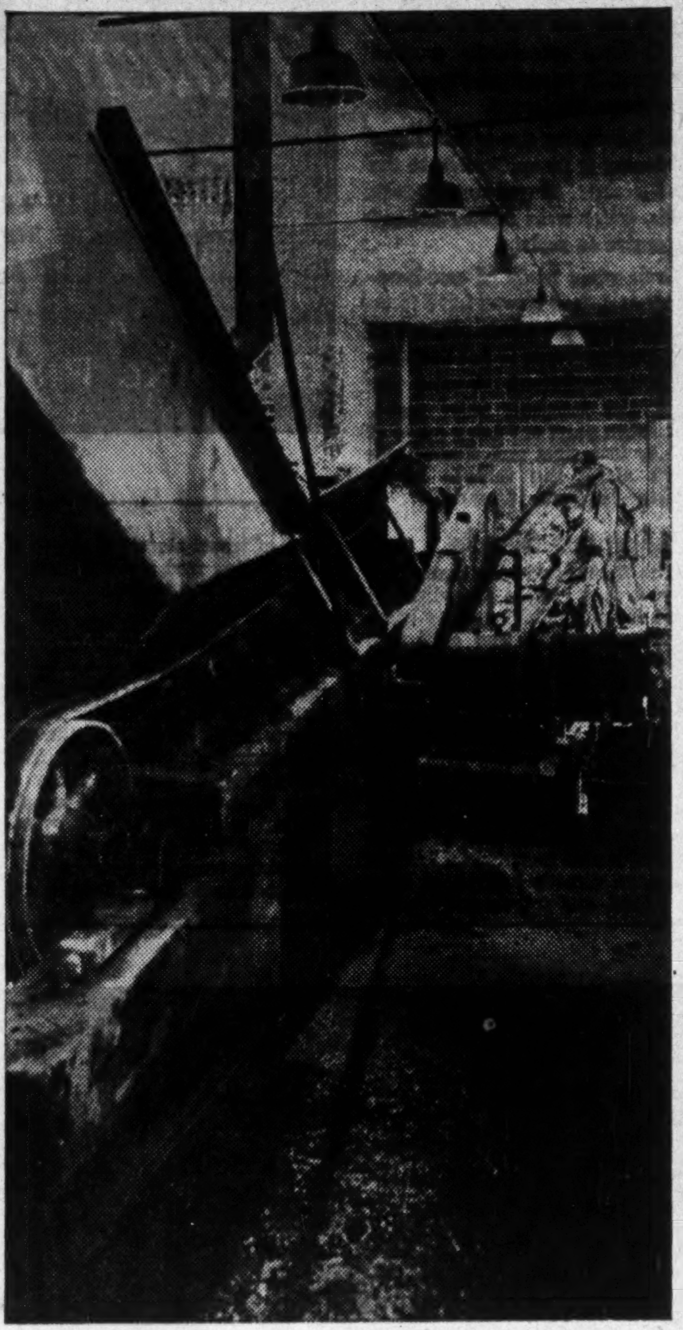
Rubber Big Aid in Milling

Tough Variety Used Extensively For Conveyor Belts



Rubber belting forms an essential part of the equipment of the modern mine. Rubber forms 1% of mine supply costs.

Rubber makes a unique contribution to the efficient operation of the modern mine. It possesses qualities that make it superior to other materials in many instances.

One of the main uses of rubber in a mine is for conveyor belting. To prove the superiority of rubber in conveyor belt manufacture, different materials used at different times were subjected to the uniform action of a sand blast. Taking the volume of rubber belt worn away as one, the relative abrasive resisting qualities were found to be as follows:

Rubber belt	1.0
Rolled steel bar	1.5
Cast iron	3.5
Balata belt	5.0
Woven cotton belt, high grade	6.5
Stitched duck	8.0
Woven cotton (low-grade)	6.9 to 15.0

Since the test was made some years ago, the wearing qualities of rubber have been increased many times. From this data, it is easy to understand why rubber is now preferred for conveyor belts for the sharp jagged ore of mining.

How Conveyors Work

Conveyor belts are shallow and trough-like. Since most of the material is carried in the middle of the belt, wear in the middle is much greater than on the upper edges. On the under edges however, which rest on the idlers, there is also wear. These posed several problems for the engineers. The new belt has rubber especially thick where wear takes place in the centre, and also on the under edges that rest on the idlers.

Many types of conveyor belts are used in the mines in the north. These range in width from 12 in. up to the huge 90-inch wide belts of International Nickel Co. at Copper Cliff. Conveying of rock usually calls for the highest grade rubber belt available, although where rock is small, a second grade belt may be substituted.

Rubber belting is also used in mines for ore elevator equipment. In this case, buckets are usually rivetted right on to the belt. The belt in this case is the same all the way through and is built much stiffer so it will hold its shape better than the type used in conveyors, for instance.

Conveyor belts are usually good for the handling of millions of tons of ore before they wear out.

Mines also use a great deal of transmission belting for the running of machinery. Experience shows great efficiency and economy up to speeds as high as 5,000 ft. per minute. At that speed and up the centrifugal force of the belt has a tendency to be less than the contact with the pulley, thereby decreasing the power transmitted. On the other hand at low speeds the belt tension must be increased to prevent slipping and this tension tends to shorten the life of the belt. Improvement of the grade of rubber has meant much to the mines in the saving in power costs.

Use of rubber in hose rivals use in belting in the mining industry. Every mine requires a great amount of air drill hose to carry compressed air to operate rock drills. Rubber water line must also be carried up to the drill for the twofold purpose of keeping the drill cool and dampening down the dust resulting from drilling operations. Some steam hose is also used in mines.

Rubber hose performs rather a unique service inside the mill above ground. It is used to carry abrasive material from one extraction process to the next. It is not only more flexible for this purpose, thereby permitting much easier installation, but it will also stand up longer than steel. Where active chemical solutions are used, rubber may be placed inside the steel pipe to prevent acid dissolving the pipe itself.

Long-wearing qualities of rubber make the material valuable in ore laundry, mineral cells, chute linings and in tube mill linings. Ore chutes were formerly made of wood or galvanized iron. Formerly ore cut through this material very quickly. While the initial cost of rubber may be somewhat greater, it is found to be more economical when length of life is considered. Several mines use rubber covers on concentrating tables which are continuously agitated in recovery processes.

Lining Tube Mills

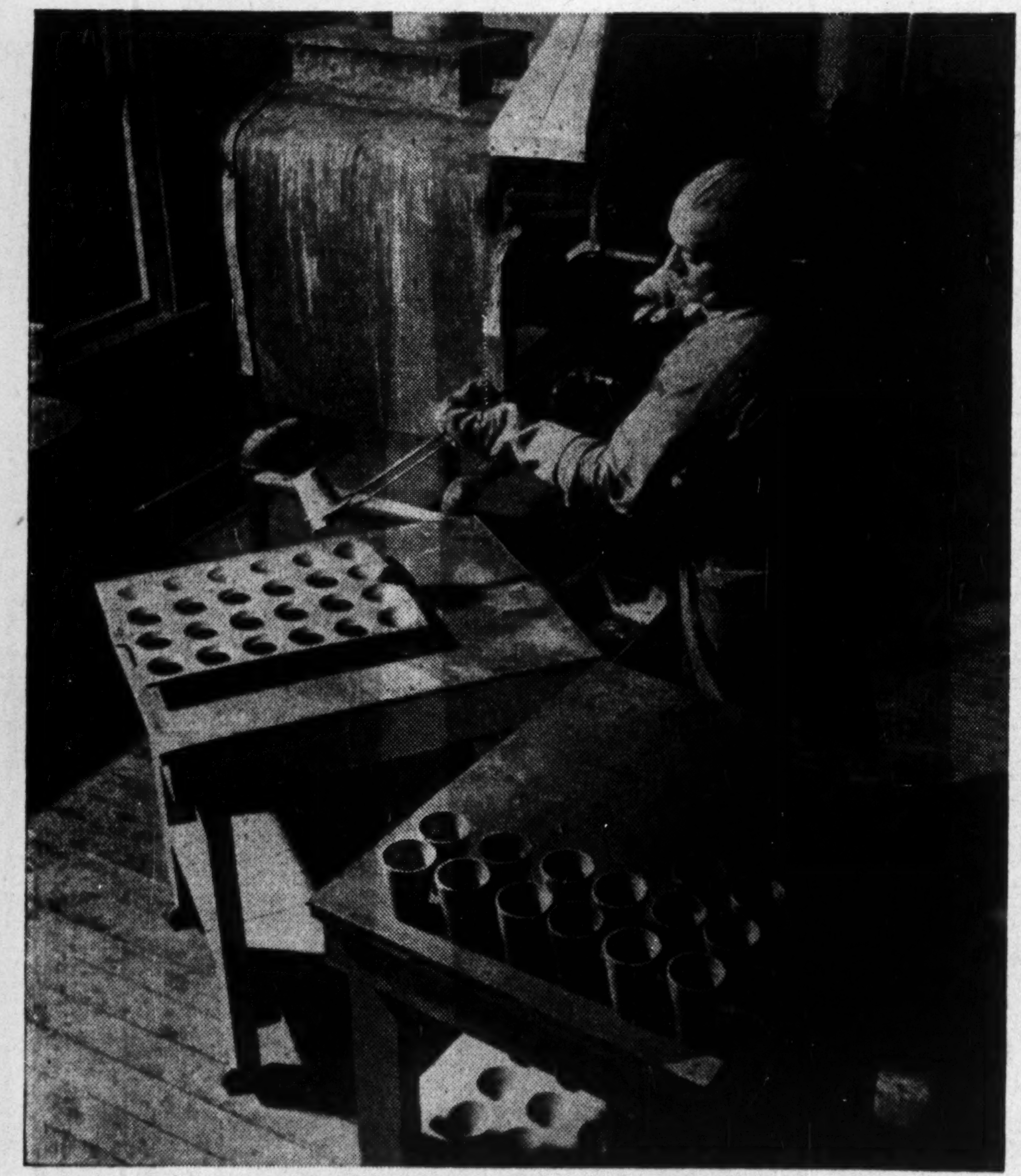
In lining tube mills, rubber performs a particularly valuable function. By using rubber instead of metal for lining ball mills, not only is a saving possible, but costly delays for replacing linings are avoided.

When ore is coming down an ore chute to conveyor belt what is known as skirting board material is used. This is rubber material that has the effect of preventing the ore from spreading beyond certain limits of the belt, as well as assisting in breaking the fall of the ore.

International Nickel and Noranda are known as two of the big purchasers of rubber for this "ore laundry."

Pumps are used a great deal in mines where water is always seeping into the workings. In fact, some mines have pumps continuously at work. Rubber plays an important part in manufacture of some pumps. It is used for lining of Wilfley pumps and for the lining of pumps developed by one large northern base metal producer. Rubber-covered iron balls are used in sludge pumps. They work in conjunction with metal which is set in rubber inside the pump. Rubber is also used in follower plates with the rubber vulcanized to the cast iron backing of the pumps.

Besides the uses mentioned, rubber serves the mines in other ways. Special rubber boots have been devised for miners with reinforced metal toes which prevent foot injuries. Rubber manufacturers have designed special rubber clothing for mine workers. Hard rubber appears in many other pieces of mine equipment: miners' lamps, electric torches, storage batteries, electric wiring, signal devices and elsewhere.



Science is on the job in every phase of mining, both under and above ground. The milling plant is one huge laboratory.

Asbestos Mine Adopts New Method

Ingenuity of Canadian engineers in working out methods for dealing with particular problems is illustrated by the changeover in mining methods at the Asbestos mine of Johnson's Company at Thetford Mines, Que.

For years asbestos had been mined by open pit methods, the great deposit there being 2,200 ft. long with a width of 1,300 ft. in its widest part. Its full depth has not yet been explored, but certain drill tests have found ore 1,150 ft. below the surface. The deposit is owned by three companies, Johnson Company section being 1,000 ft. long and 500 ft. wide in its broadest section.

Several years ago it became evident that another system of mining would have to be adopted, when mining by the open pit method became impracticable. At that time the open pit was around the 300-ft. level with much valuable ore in the sloping walls and below the bottom of the pit.

Block-caving which had been used in the big Arizona copper mines was decided on as the best method for handling the problem. It had previously been introduced at the King mine of Asbestos Corp. Many other methods might have been used but these would have required much timber support. In asbestos mining, wood support is not desirable due to the danger of getting wood splinters in with the asbestos fibre. The presence of small pieces of wood in the fibre might cause damage to processing machinery.

To carry out the block caving a shaft was sunk 916 ft., with connections driven from the shaft to the centre of the ore body, a distance of 1,400 ft. Crosscut drifts were then driven to the block to be mined first. This block containing a million tons of ore was brought into production last September. This month was expected to see the second block into production with a total output of 2,000 tons of ore a day. When one block becomes exhausted another block will be ready for production.

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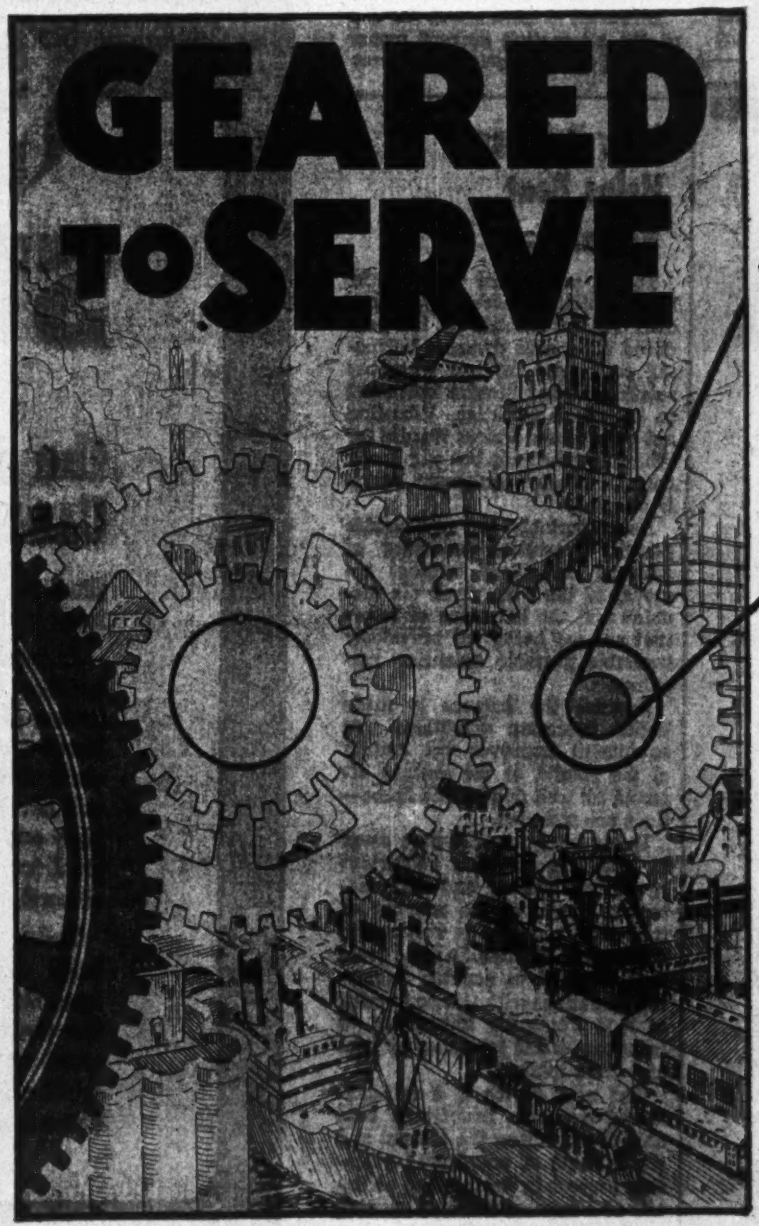

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—Canadian Airways photo.

Freighting His Majesty's mail gives essential extra revenue to most north country flying services. War has brought a strain on companies' resources of both pilots and equipment but service remains substantially unchanged.

Modernization of Transport by Air is Fostered by War

War has not meant slackening of aviation in Canada's northland—rather increased emphasis on maximum utilization of resources of personnel, fuel and equipment.

Many northern pilots were reserve officers in the R.C.A.F. and were lost to air transport companies at the outbreak of war. Others enlisted to become the nucleus around which the air training plan was established.

While freight carried by plane in Canada last year showed a decrease, passenger revenue and mail carried increased. Comparative preliminary figures compiled by the Dominion Bureau of Statistics are as follows:

	1940	1939
No. of passengers ..	137,890	110,682
Freight, lb.	16,686,214	21,253,364
Mail carried, lb.	2,727,122	1,900,347

Ottawa has tried to avoid any interference with normal flying operations in the north country. Mining is a key industry in the war effort. Supplies must go forward regularly to outlying mining operations.

Not only have most companies maintained their regular services but two companies—Canadian Airways and Yukon Southern Air Transport—are operating observer schools under contract for the Dominion Government as a contribution to the war effort.

Seek Greater Safety

Modernization in northland aviation has seen three major developments emerge in the past few years.

One has been toward increased safety. The drive for greater safety has brought the twin-engined plane into general use. It was not surprising that the twin-engined plane first came into use in British Columbia. Mountains and roughly wooded terrain there made motor failure ultra serious.

Up the Mackenzie River, single-motored planes stayed in service longer for it was usually possible to reach water in summer or ice in winter if motor trouble developed. Even on the Mackenzie, however, twin-motored planes have now largely replaced the single motor job.

Private Planes Disappear

Mining companies no longer believe in running their own planes in their prospecting and mine-servicing operations. This work is now done by the big companies on a contract basis. Several factors have contributed to this new development.

Air transport companies are admittedly in a much better position to service and overhaul than any individual or mining company. Mining men have minds free from worries about aircraft when their air transport work is done on contract.

An air transport company too is in a position to keep its planes in the air a large proportion of the time. A mining company operating its own planes, on the other hand, may have them in the air but one or two days a week. This represents a high overhead cost for air transport.

Avoid Overlapping

Overlapping services have been eliminated in the air transport business in many districts the past few years. Concentration of business in the hands of a relatively small number of lines has aided this trend. No action has yet been taken by the government to eliminate overlapping services in some sections, however.

Recently, it was reported that the C.P.R. has been acquiring large stock interests in various Canadian air lines. Companies mentioned included Mackenzie Air Service, Yukon Southern Air Transport, Ginger Coote Airways, and Wings Ltd. If control of a number of air transport companies becomes concentrated in the hands of one company, it would be natural to expect abolition of duplication of services.

Defense Helps Mining

Out on the British Columbia coast, and in Alberta too, development of air fields for defense purposes will mean better contacts with the mining fields. These new air fields are now being constructed all the way up to Alaska. Yukon Southern Air Transport has been engaged the last few years in building a chain of fully-equipped airdromes stretching from Edmonton and Vancouver to Whitehorse in the Yukon and on to Alaska. Defense airports, accordingly, will not be covering exactly virgin territory. Yukon Southern Air Transport is even now opening a further field in its chain.

In other parts of northern Canada airports like those in British Columbia have not been built, for the need has not been so great. Most of northern Canada is dotted with lakes which are excellent natural landing places. Fortunately, it is usually in lake-dotted areas that mines are found. Lakes are often the result of rock movements which created mineral deposits.

Flying Time Halved

In spite of the difficulties of terrain in British Columbia, flying operations have been kept on an efficient basis through extensive use of modern equipment. For example, standard equipment of Y.S.A.T. is the eight-passenger Barkley-Grow. Using these planes the flight schedule from Edmonton to Whitehorse has been cut from 16 to 7 hours.

For the last year and a half this line has operated on 98% of schedule, the only delays being due to weather and none to mechanical factors. Automatic directional compasses are now installed in all ships, as well as plane-to-ground communication. The ships operate in and out of Edmonton and Vancouver on the Department of Transport radio range beacon.

Equipment Improved

Company owned radio stations have been built and manned by Y.S.A.T. every 200 miles along the route. Equipment at the company's radio chain of 14 stations—the largest chain in western Canada—has been steadily improved and power increased the past two years. While short-wave communication was for a time the only equipment used for aircraft, the stations now have added long-wave, useful for phones and for the direction finder.

This summer it is expected that the company will add Lockheed Lodestar 14-passenger planes to its equipment, to operate on the main lines. These planes are powered with two motors of 1,100 h.p. each, have a top speed of 263 miles an hour, and cruise at 220 m.p.h. at about 55% of their power. They will be the most modern planes in use in the north.

Traffic Is Changed

Since Yukon Air Transport started operations, a great change has taken place in the character of the country served. The airplane has helped develop and modernize the outlying areas. Just five years ago almost the only passengers in airplanes were prospectors, trappers, fur traders, miners, engineers, and a few others. They climbed into the planes in knee boots or moccasins and sat on pack-sacks, bed rolls, bales of fur or boxes of biscuits.

Today women and children form no less than 60% of passengers carried. Modern air facilities have been provided and everyone travels in comfort.

The Canadian northwest—and the north in eastern Canada—has also been opened up by the airplane as a centre for tourists and hunters. When time is limited and access difficult by normal means, air travel is the only feasible way of getting into the best hunting ground.

Can Use Wheels 100%

Most of the flying companies have their planes grounded during the freeze-up and break-up periods but this is not true of Yukon Southern Air Transport. To many in eastern Canada, where planes have always been grounded at these periods, it may come as a surprise to find that Y.S.A.T. and others in western Canada have proved that grounding of planes can be avoided.

Y.S.A.T. is keeping its planes on wheels the year round. Skis and pontoons are no longer used. Extra fields have been laid out so that this is entirely safe. Wheels on planes the year round requires packing of snow on landing fields in the winter time.

To carry out this work, Y.S.A.T. has had to fly in tractors weighing 3,000 lbs. each, equipped with circular saws to be used in cutting logs and lumber for snow rollers and buildings. Men must be kept stationed at the various points to keep snow rolled and fields in shape at all times. Frozen lakes and roller-compressed snow make excellent landing fields, it has been found.

Back in 1939 seven of the companies operating between Edmonton, Whitehorse and Vancouver scorned skis and flew on wheels the year round. This was the first big test. Heavy snow storms sometimes meant that a plane would have to miss a stop because snow could not be pressed down in time but this situation was found to be exceptional.

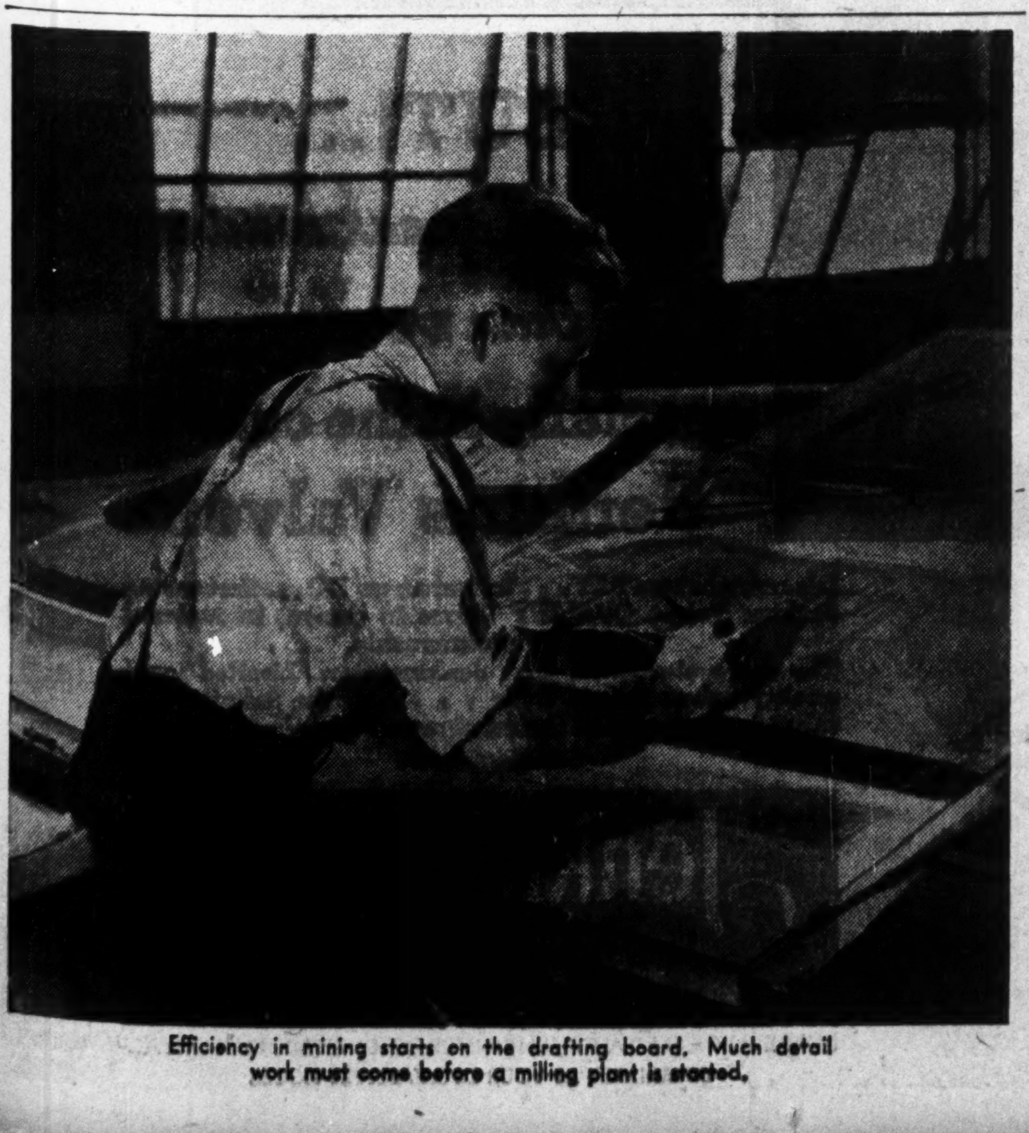
Several Advantages

Use of wheels the year round has other advantages as well as allowing continuous operation. Ski equipment adds 500 lbs. to 'plane weight, and when skis are used, pay load must be reduced by this amount. Over an entire season, this means a considerable loss of revenue. Skis also reduce air speeds.

Other air lines such as Mackenzie Air Service and Canadian Airways are working along similar lines in servicing the Northwest Territories mining country and supply posts of the Mackenzie basin. Freighting of supplies and equipment uses a larger proportion of their facilities than Y.S.A.T.

In the Manitoba area, Canadian Airways is a big operator along with Wings, Starratt Airways, Arrow Airways and Northland Airways. These firms not only supply the Manitoba mining fields but operate into the mining fields of western Ontario. In the central Ontario mining fields, Austin Airways operates from Toronto to the Sudbury and Temagami areas. In Quebec, Quebec Airways and Dominion Skyways service the mining fields from Noranda southeastward.

Just now great emphasis is being placed on the need for increased volume of prospecting if mining is to be sustained. Any trend toward more prospecting, of course, will mean a greater volume of air traffic. And a greater volume of air traffic will undoubtedly bring installation of even more superior equipment in Canada's northland.



Efficiency in mining starts on the drafting board. Much detail work must come before a milling plant is started.

Drive For More Gold May Recreate Interest In Placer Possibilities

With the present emphasis on a large Canadian production of gold, it is possible that placer gravels in western Canada and the Yukon once more may secure a more thorough examination. There are also reported to be gravels in the Sudbury area which could be treated commercially.

Gravels carrying as little as 10 cents in gold per cubic yard can be treated profitably in a small operation so gravels do not have to be rich to justify treatment by methods that might almost be thought rudimentary.

The first requirement in operating a placer recovery plant is a good flow of water with a fairly strong current.

Placing the "Riffles"

Wooden cross-pieces are placed at intervals along the bottom of the sluice trough to form "riffles." The riffles not only aid in breaking up the dirt as it passes down the sluice box but have the important effect of holding back particles of rich mineral which catch in the riffles because of their superior weight. The placing of riffles is largely a matter of experiment to find where the best results are secured.

Accumulation of dirt and minerals between riffles serve as cushions for stones trundling down the sluice, hence save wear on the sluice planking and on the riffles. Sometimes poles are placed longitudinally in drifts to save wear. Stones set on edge are occasionally used for riffles.

Recovering the Gold

When an appreciable amount of mineral has been collected behind the riffles in the sluice, water is shut off and some of the mineral is removed. A small stream of water is next used to assist in the clean-up. Riffles are removed near the bottom of the sluice and the lighter material is washed away leaving the mineral. The recovery gradually works up the sluice. Concentrations are pushed up the sluice against the flow of water to aid in recovery. If a blanket or carpet is used at the bottom of the sluice most of the mineral will be trapped there. In this case the carpet is cleaned to get the mineral.

Panning may be used to separate gold from other minerals. In some cases mercury can be used for the recovery of gold. However, the gold is often covered by a thin film of oxide which prevents the mercury from attacking it. In this case the material may be ground in a mortar so mercury will have the needed effect. Recovery from the mercury—which has a great affinity for gold—is effected with a "shammy" and frying pan.

Instead of corralling water for placer mining, it is possible to use pumped water. Dirt and boulders may be shovelled into a grizzley tank with screens before going to the sluice. This is a very effective contrivance for free dirt that is not associated with clay. It has replaced the "rocker" in many districts on account of its effectiveness in recovering minerals and the greater volume of dirt that can be handled.

Small hand operations differ little from larger operations in principle. In hydraulicking, water may be used to force banks of dirt through sluices saving considerable energy.

Treatment of a large yardage of material is stated to be the important thing to remember in placer mining.

Altem Trimatastic —Science Made It And Named It

In order to solve the problem of a general purpose steel welding rod, Canadian Liquid Air Co. has developed "Altem Trimatastic." This rod has an alloying coating which, under the heat of flame, melts with the steel core, producing a low alloy steel of exceptionally good physical properties.

The welding of steel has presented a variety of problems to the oxy-acetylene welder. The high melting point and the ease with which most steels oxidize at high temperature make flame adjustment and heat control very critical.

Another problem has been selection of a suitable welding rod for the welding of various alloy steels to produce welds of high strength and ductility in the as-welded condition. With ordinary steel welding rods it usually has been difficult to obtain a combination of both properties. Some alloy steel welding rods produce welds that are hot short, resulting in cracks when the hot weld is subjected to stress.

Weld metal of the new rod in the as-welded condition has an ultimate tensile strength of over 65,000 lb. per square inch and an elongation better than 20% in two inches. In free bend tests, the ductility is over 40%.

Unlike some alloy steel welding rods, no special welding procedure is required as the molten metal withstands overheating exceptionally well. There is very little sparking and the molten metal is easily controlled, even in vertical and overhead welds. Welds are smooth and free from porosity. The weld metal is not hot short and therefore does not crack from cooling stress. Equally good welds are produced either with forehand or backhand welding.

The company recommends this new welding rod for all classes of steel welding where a combination of high strength and ductility is required.

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Low Cost Power Turns Rock Into Ore

Expansion of Power Resources Speeds Mine Development

Harnessed "white horses" — Canada's developed water power resources — have been largely responsible for development of a modern and extensive mining industry in the north country. As electric power becomes available to more and more outlying sectors, still further mining operations will likely modernize and increase profits by lowering costs.

Fortunately for mining, power resources have been distributed across the country in a way that is of particular advantage to the mining industry. Almost without exception, ample resources of water power have been found close to mineral deposits and centres of mining activity.

When electric power resources are developed they have a very important influence on the course of future mining development. Even in old mining fields, prospectors comb over ground for other low grade ore bodies if there is ample low cost electric power available. For cheap power performs the miracle of turning waste rock into ore.

Supply Important Now

The huge supply of electric power in this country is of great importance now, especially since the emphasis is on machine power rather than man power in making mining more efficient. Just as division of labor has brought increased use of machinery in manufacturing, so mines are using more and more power-driven equipment in their operations. With power resources across Canada now being used at close to capacity, further expansion in mining will almost certainly bring with it a further development of power resources.

Besides promoting rock into ore in many cases, ample power has often allowed the increasing of capacity with the result of cutting costs. As the tonnage of low-grade ore available is often many times the tonnage of higher grade ore, cheap power—and low costs—often mean that operations can be continued much longer than would otherwise be the case.

How Electricity Helps

The experience of one northern Ontario gold mine in 1940 illustrates the aid electric power can be to the individual mine.

Through the extension of a new power line, this mining company changed over from Diesel to hydro-electric power. While power costs were reduced by three-quarters, the company states provision of an ample supply of reserve power was even more important than the reduction in costs. With the additional power, it was found possible to increase the scope of development. It is now hoped that it will be possible to gradually increase the production rate.

As far as undeveloped power resources are concerned, it does not appear that Canada need have any immediate worries for its mining industry.

Not Half Developed

A survey of Canadian water power resources just released by Dominion Department of Mines and Resources reveals that far less than half this country's potential power resources have been developed. Much of this undeveloped power lies in the far north. But it is in that area that best chances for development of further mines are considered to exist. The official bulletin states:

> "There is little doubt that the advance of settlement and prospecting over the great Laurentian plateau or highland which occupies some 60% of Canada's mainland will continue to uncover mineral deposits of great value while the mountainous areas of British Columbia and the Yukon also offer wide fields for mining development. A fortunate feature in connection with all of this unprospected area is the availability of water power, the rugged character of the country providing numerous falls in its rivers."

Where Power is Used

The last survey by the Dominion Bureau of Statistics shows the non-ferrous metal products industry alone takes more than 20% of the power sold for all manufacturing. The smelting and refining of non-ferrous metals requires 96½% of the power used by the non-ferrous metal products industry. Among the four industries operating in the mining field, metal mining is the biggest power user, almost 82% of the power purchased by the group being used by that industry.

To carry the analysis further, electric power is of great importance in our ability to fabricate our mineral products. Consolidated Smelters, for instance, carries on manufacture of fertilizers as a by-product of mineral production. An abundance of relatively cheap electric power makes this possible.

War demand for practically every type of metal has caused a speeding up of Canada's mining industry since September, 1939. A reserve of developed electrical energy allowed output to be increased rapidly. Now, however, our reserves of developed electric power are almost entirely in use. In fact, there has been a considerable expansion of power facilities the last year to overcome what might have been a power bottleneck. This expansion has not assumed major proportions as yet but there seems a definite trend for a speed-up in the development of Canada's resources of electrical energy. The St. Lawrence Seaway project is concrete evidence of this.

During 1940, 295,226 h.p. was added to Canada's hydro-electric power installation bringing the total to 8,584,438 h.p. at the beginning of this year. Production of hydro-electrical energy in 1940 by central electric stations — which operate more than 88% of Canada's developed water powers — was a new record in 1940, revealing the growing demand for power.

Expands Coast to Coast

Expansion of hydro-electric facilities ran all the way from Vancouver Island in the west to Nova Scotia in the east. West Kootenay Power Co. operating in British Columbia completed an extension of its Upper Bonnington, Kootenay River Station, plant early in 1940 with two new 25,000 h.p. turbines installed. After completion of this work, relocation of two miles of the Canadian Pacific Railway line was commenced adjacent to the same company's Brilliant site, the only undeveloped site remaining on the Kootenay River. Power is available for a 90,000 h.p. installation.

On Vancouver Island, Nanaimo-Duncan Utilities added a 750 h.p. unit to its Millstone River Station and the Powell River Co. and West Canadian Hydro-Electric Corp. provided additional power for its plants by constructing storage dams.

Most of the newly-developed British Columbia power and part of the Vancouver Island power will be utilized by the mining industry.

New Yellowknife Plant

The first hydro-electric development in the Northwest Territories came into operation January, 1941, with completion by Consolidated Smelters of its 4,700 h.p. plant on the Yellowknife River about 18 miles north of the town of Yellowknife. This plant will serve the Con, Negus, Rycon, Ptarmigan and Thompson - Lundmark properties, domestic demands of the settlement at Yellowknife, and other mines in the area.

With many new finds made in the Yellowknife area the past year, developed power may now be a key factor in the opening up of still further mines.

At the established mines, expansion will likely mean the use of increased electrical energy. Con is stepping up its milling rate following a substantial increase in ore reserves. Ptarmigan is undertaking development at depth prior to making a final decision on its mill. Thompson-Lundmark will be commencing production in the not distant future and will use still more power. Negus has been securing favorable development results, and further expansion is possible within the year. Development of the finds around Snare River, Emile River and Wray Lake, may bring extension of a power supply to this section. The power development is situated about 18 miles north of the town of Yellowknife.

Sault District Active

Moving eastward to Ontario, the rapid increase in industrial load at Sault Ste. Marie resulted in the Great Lakes Power Co. proceeding with installation of a second unit in its Upper Falls development on Montreal River. Additional storage provided for this plant will supply power for a second similar unit at its Lower Falls station on the same river.

The Upper Falls unit will be in operation early in 1941 and the company reports that if power demand continues to increase, the second unit at Lower Falls can be installed as quickly as equipment can be delivered. Projected development of the Steep Rock iron ore bodies would involve a considerable increase in demand for power in this general area.

Ear Falls Steps Up

Increased calls for power from the mining industry resulted in the installation of a third power unit at the Ear Falls plant of the Hydro-Electric Power Commission of Ontario in 1940. This unit, which went into operation in January, 1940, stepped up capacity from 10,000 to 17,500 h.p. The Commission now has under construction a 10,000 h.p. plant at Big Eddy on Musquash River, planned for completion in November, 1941, and 56,000 h.p. plant at Barrett Chute on Madawaska River planned for completion late in 1942. Work is under way on the Ogoki diversion.

Hydro-electric installations in Quebec were increased by no less than 236,000 h.p. during 1940. The St. Maurice Power Corp.—owned jointly by Shawinigan Water and Power Co. and Brown Corp.—completed its 178,000 h.p. development at Lac Tuque on the St. Maurice River. Most of the power is used to operate the sulphate mill of Brown Corp, but some will be used to supplement the general distribution of the Shawinigan Water and Power Co.

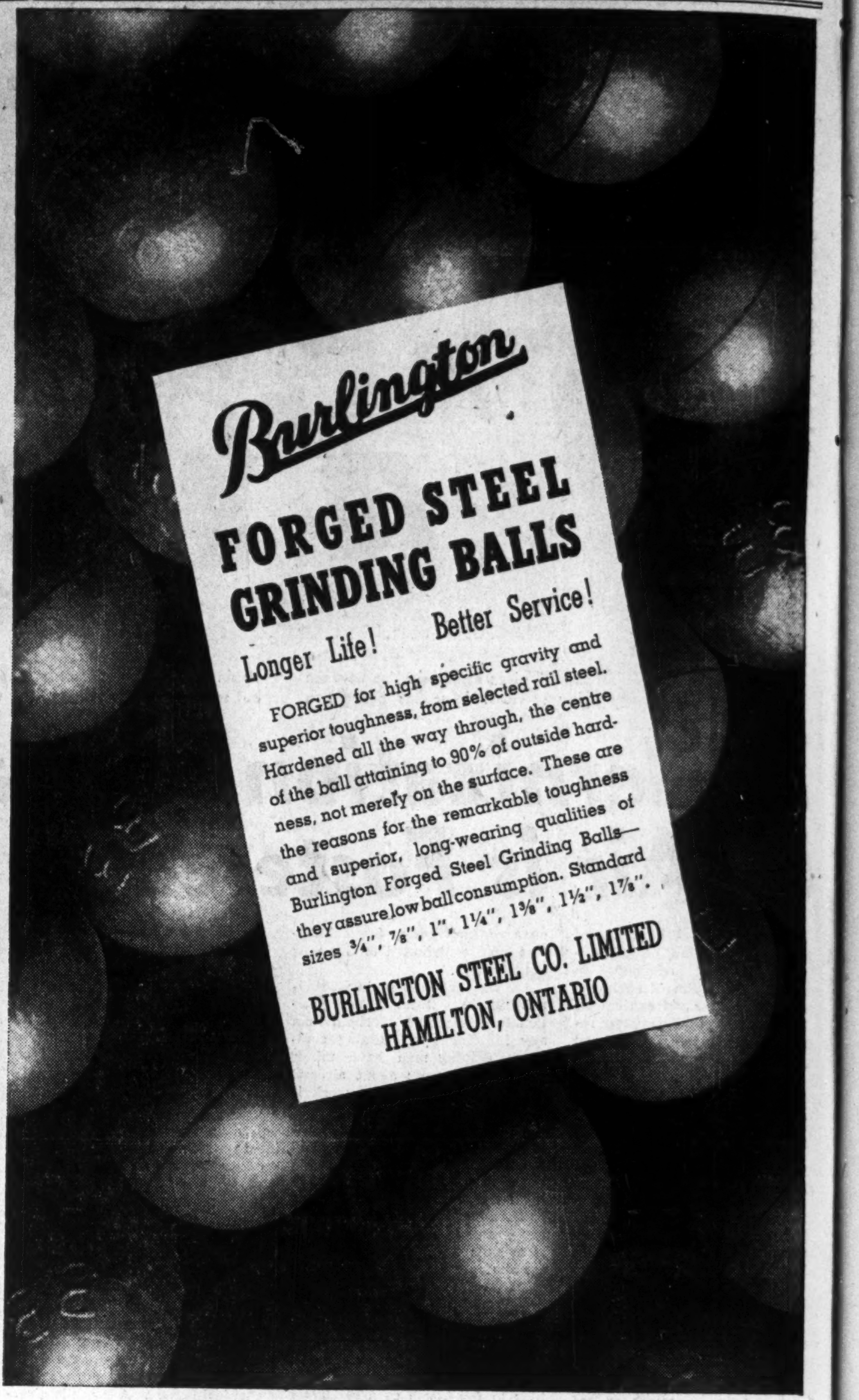
At Beauharnois Light, Heat and Power Co., a tenth unit of 53,000 h.p. was completed in October, 1940. An eleventh unit went into operation in March, 1941, and work is proceeding on the installation of the twelfth and thirteenth units. The construction of the necessary control and remedial works in the St. Lawrence River is now under way. By replacing the runner on a turbine, Aluminum Power Co, increased capacity of its Chute-a-Caron station on the Saguenay River from 65,000 to 70,000 h.p.

The Quebec Streams Commission's development on the Upper Ottawa River is expected to be in operation by Aug. 1, 1941. Its ultimate installation is 48,000 h.p. Pembroke Electric Light Co. is installing an additional 2,000 h.p. unit in its plant on the Black River.

In the Maritime Provinces, construction was limited to two plants in Nova Scotia. The larger of these was the Avon River Power Co.'s second development on the Black River at Hollow Bridge where 7,500 h.p. was installed in August, 1940. The company expects to have its Hells Gate plant on the same river in operation late in 1941. This unit will have a capacity of 4,500 h.p.

In addition to provision of additional equipment for the generation of hydro-electricity throughout Canada, there has been a considerable interconnection of distribution facilities to provide against failure of power deliveries. This is of importance to the mines which secure a greater assurance that their operations will continue uninterrupted.

Low costs secured by using modern mining equipment mean good wages for miners as well as increased profits. Canadian miners are famous around the world for efficiency. Their skill has been recognized in some special assignments with the armed forces in Europe; their service to the war effort results in their job being put on the "reserved" list.



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Metallurgists Mowing Down Problems

Persistent Research Overcomes Obstacles and Helps to Evolve New Mines

Canadian mining is only great today because engineers have been able to unlock the wealth of metals in the rocks of the northland.

Some of Canada's greatest mines started out as definite metallurgical problems which were only solved by persistent research. Nickel in the ores at Sudbury was originally just a nuisance, preventing recovery of copper for many years. Research had to bring about recovery and the development of industrial uses.

Consolidated Smelters is only great today because research solved the metallurgical problem presented by the lead-zinc ores of its great Sullivan mine—now the greatest lead-zinc mine in the world.

For years research work was carried out on the ore at Hudson Bay Mining and Smelting Co. before definite commercial recovery of metals could be established.

These examples demonstrate effectively the important rôle played by the metallurgical engineers in developing Canada's mining industry. While there are no tremendous immediate problems to be solved, improvement in milling practice is continually being made and efficiency is being increased. In recent times the working out of gold recovery from arsenic-bearing ore has been outstanding in Canadian experience.

Beattie Solved Arsenic

First of the bigger Canadian mines to work out an important arsenic problem was Beattie Gold Mines. A big roaster was installed at this mine to roast concentrates after extensive experimentation indicated this was the best method to secure recovery.

Several mines operating in the Little Long Lac area have experienced difficulty with arsenic, but in each case the difficulties have been overcome by installation of roasting equipment. Little Long Lac Gold Mines was the first company to install a roaster. Its roasting unit cost only $35,000 against $600,000 for the large Beattie unit.

While the original ore bodies of both MacLeod-Cockshutt Gold Mines and Hard Rock Gold Mines did not present any difficulties because of arsenic, a new north ore zone found extending through both properties proved to contain arsenopyrite. Both companies have installed roasters which has resulted in a vast improvement in overall gold extraction.

More Work Expected

Further experimentation will undoubtedly be carried out on the arsenic problem, for gold extraction with arsenic ore usually does not exceed 90% against 95 to 98% for ore with no arsenic problem present. Base metal mines do not ordinarily recover more than 90% of the metal content of ore, and there is still room for improvement in their operations by experimentation.

As extraction more closely approaches 100%, it becomes more difficult to make great gains in metallurgy. However, every small improvement that can be made represents so much more profit. With modern metallurgy, it has been possible to turn back to treatment of tailings from operations carried out years ago. Perhaps the most outstanding case of this type at the present time is an enterprise in which Premier Gold Mining Co. is interested. In Saudi Arabia tailings are being treated from what is believed to have been King Solomon's gold mine. Recovery in those days was primitive and fine profits can be realized by using the modern cyanide process first introduced around 1890.

Ore Body Eccentricities

As one mining engineer expressed it recently, ore bodies are somewhat like people. As you work with them, you get to know their eccentricities. As mining engineers are watching treatment of ore continuously, they often get ideas that may result in substantial savings. All along the line engineers are working on specific problems.

In the crushing department it has been found recently that deeper jaws will give a finer product. Open-stage crushing for the secondary phases is still regarded as an economic compromise when capital is somewhat limited. However, no commercial reason is known for not crushing to minus three eighths inch before feeding the ore to the grinding mills in mills of 150 tons or greater.

At the Seal Harbour Gold Mines in Nova Scotia, use of lime has been found to give 15% to 20% increase in the capacity of the rod mill classified circuit.

Low-Discharge Mills

Investigations are being carried on continuously into low-discharge mills. Cline Lake Gold Mines, for instance, has a cyanide mill carrying fine grinding to 85% minus 325 mesh. The low-discharge mills are equipped with discharge scoops and spirals to the mills. The mills give a very high circulated load of 10 to 1, cutting the overgrind to a minimum. This high circulating load overloads the classifier causing the ball and liner consumption to be a little on the high side. Even with the overloaded classifiers, tonnage per unit is 175 tons a day. If the classifiers were larger, it is felt that tonnage would be increased.

Day grinding is not a new idea, but its application and treatment of metallic ores have been limited to a few isolated instances. There is a particular advantage in preparing ores for flotation by dry grinding in that thickening in the classifier overflows is not necessary to bring the pulps to a proper density for flotation.

Eliminate Gangue

Grade of concentration can be increased by elimination of subsieve size gangue, which is very difficult to keep from floating in the flotation process. Dry grinding gives much less ball and liner wear. This may be due to the fact that there is not the tendency to form an oxide on surface liners and balls without liquid present.

Dust collection is still not treated as of great importance at many small plants. However, dust collection need not be complicated and may often pay for itself within a short time due to metals recovered in the dust.

In conveying equipment, photo electric cells are used to prevent overloading and mechanical "ears" are used to tell when ore is ground sufficiently in the ball mill. Constant weight feeders have been evolved and some waste rock can be separated by magnetic methods at times. An improved split sorting belt has been developed in the last two years.

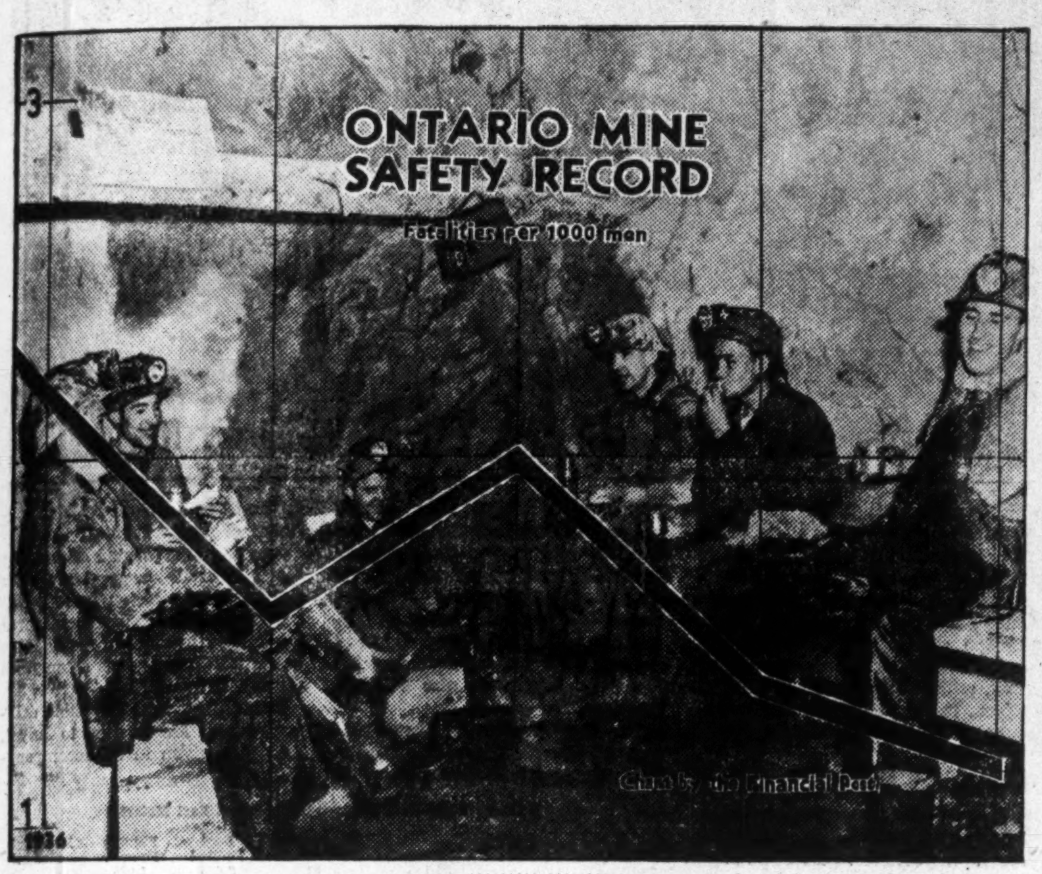
In screening, special tempering of the wire has been found to increase the length of life. Ease of control is a distinct operational advantage found in the use of electrical vibrating screens.

In classifying, no outstanding developments have taken place recently, but two stages of classifying have proved to be warranted when plant and capital only warrant one stage of grinding.

An increased use of jigs in the recovery of free gold in the primary grinding circuits has been noted the last few years. There are distinct advantages in removing gold as soon as possible.

Corduroy blankets have been found economic in recovering free gold in certain parts of the circuit. Solutions are allowed to seep through the blankets which retain the gold which is later forced out by strong water pressure.

By adding certain chemicals, it has been found possible to improve use of the amalgamation (mercury) process in the case of difficult sulphide minerals. Not only is recovery improved, but less mercury is lost.



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Over $1 Million of Timber Goes Into Mines Yearly

The amount of wood used each year by Canada's mines in the form of round mining timbers is valued at over $1.2 million annually. Add to that the amounts going into squared timber and planking, ties and ladders, and you get a total figure running to $2.5 to $3 millions annually.

Round mining timbers take about 7 million cubic feet of lumber a year. Much of this timber has been completely lost, as galleries were closed off, stopes mined out. It has been cheaper to let the wood rot and be abandoned than to reclaim it for new uses. Even in a mine where water seepage is pronounced, timbers would normally last about ten years.

Where a mine has an expected life of more than 10 years, preservation of lumber in some of the more permanent passages, the shafts, the main haulage levels, etc., has been considered worth while. But few individual stopes can be expected to last that long, and the timber in these sections is usually written off when the stope is closed. In most cases removal of props would be too dangerous to effect on a large scale.

Advancing wartime costs are demanding a reappraisal of this situation.

Saving Important

With lumber prices mounting, the possibility of reclaiming greater proportions of the wood in sections being closed off and of preserving all timbers against unnecessary decay is gaining importance. If the cost angle were not a sufficient driving force, the national need for keeping labor wastage to a minimum would provide adequate motive to Canada's mining industry, already in the forefront of the economic battle line.

Timber, kept dry, is almost as durable as iron. When moisture penetrates, fungus growths become active, internal rot sets in and apparently sound timbers collapse without warning. Surface preservatives, despite precautions, often permit a small degree of moisture to build up behind the apparent soundness of the exterior and in some cases only serve to conceal the true condition of the timber.

The scientific battle against rot gradually took the direction of attempting to use internal moisture as a weapon against the fungus and insect life which ate the timber. First efforts to turn the enemy into an ally took the form of introducing zinc chloride and mercuric chloride into the wood. But these chemicals were corrosive to iron and were superseded by sodium fluoride. Until recently sodium fluoride has been the most dependable preservative.

How It Works

Principle on which these preservative salts work is that, soluble in water, they penetrate the moisture channels of the wood. But they were long applied by expensive vacuum processes for the initial penetration, in the same manner as oil preservatives, and they had the additional drawback that on exposure to water they were apt to leach out.

Accidents started the research chemists on the right track. Accidentally a green stick of timber was painted with an experimental preservative. Again by accident, the green stick was tested and it was found that the preservative had penetrated more deeply than in any of the dry samples.

The law of osmotic pressure provided the answer. Defined by Van Hoff in 1880, osmotic pressure is the hydrostatic pressure which brings two solutions of different concentrations into equilibrium when the two are separated by a semi-permeable membrane. The concentrated solution painted on the outside of green or wet wood would gradually blend with the water inside the wood.

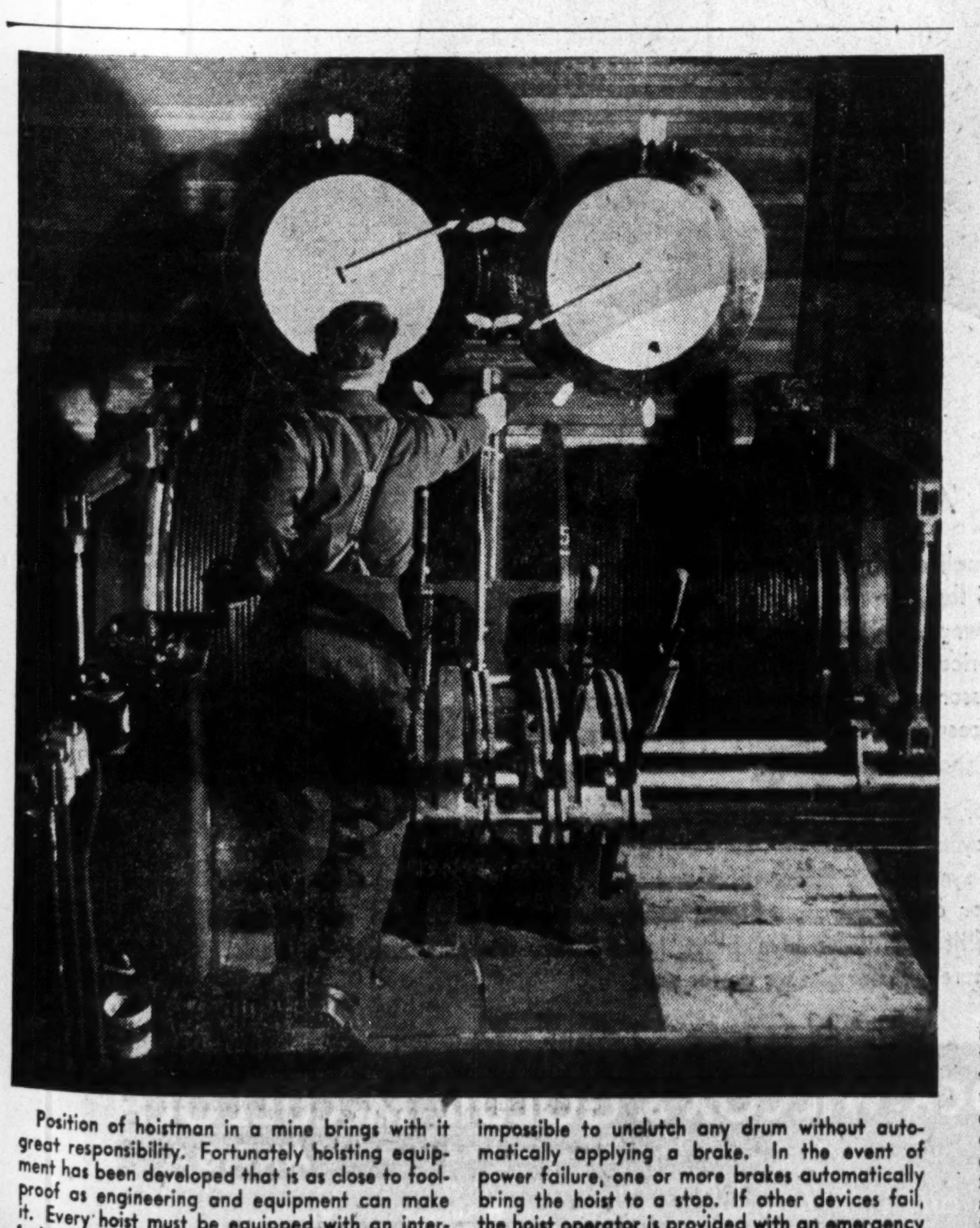
Fight Fungus

It was discovered that a mixture of sodium fluoride, dinitrophenol, arsenate and potassium bichromate filled all requirements. These chemicals fight fungus and insect life and the potassium bichromate combines with some of the fluoride and the wood tissue to form a layer just below the surface of the wood which prevents the other salts, including 75% of the fluoride, from leaching out.

Treatment is simple. Solutions varying according to the degree of penetration desired, are brushed on green timbers or on dry timbers likely to be exposed to moisture. Joints and end timbers likely to collect above average amounts of water receive special paste applications. The water then carries the poisons into the wood.

Aside from its preservative qualities, this method of treatment is clean, paintable, odorless and fire resistant. Entire equipment needed to apply the treatment consists of a paint brush.

The method has been used for some time at Teck-Hughes. On the lower levels humidity reaches the saturation point, and temperatures average 85 degrees, ideal conditons for wood decay. Treated props are still in perfect condition while untreated props have reached the point of failure. As a result, Teck-Hughes is now giving the osmotic type of treatment to all timbers.



Position of hoistman in a mine brings with it great responsibility. Fortunately hoisting equipment has been developed that is as close to foolproof as engineering and equipment can make it. Every hoist must be equipped with an interlocking brake and clutch. This device makes it impossible to unclutch any drum without automatically applying a brake. In the event of power failure, one or more brakes automatically bring the hoist to a stop. If other devices fail, the hoist operator is provided with an emergency switch halting the hoist automatically.

Dominion Mines Dep't Provides Tests By "Sink and Float"

With the Bueau of Mines at Ottawa arranging for installation of a pilot plant late last year, Canadian mining operators can now have their ore tested as to suitability for treatment by the new "sink and float" process. A number of advantages can be secured from this process.

The sink and float process, after years of research, is described as "A Utopia long envisaged by metallurgists—that of heavy-solution technique hitherto confined to laboratory research." It is no longer in the experimental stage. One plant in the United States is handling 4 million tons of ore annually, and another plant over 1 million tons. Still another plant has arranged to have the process installed.

No highly skilled operators are required and the cost of operation is extremely low—generally under 10 cents per ton of ore.

How it Works

The sink and float process depends on gravitational separation, and has nothing in common with froth flotation. It is a method of separation employing a suspension or a heavy liquid, the specific gravity of which is slightly higher than that of the gangue to be separated—which will therefore float on it—but lower than that of the heavy metalliferous components, which will therefore sink in it.

The sink and float process is not applicable to the beneficiation of all ores; yet, if the structure of the ore permits its application, it frequently offers a wide margin of advantage over other methods of concentration. It may be regarded as pre-concentration for the separation of the bulk of the gangue in a very coarse state at an early stage of the flow sheet, but its benefits extend farther than just improving ore dressing. These benefits may be summarized:

1. The introduction of the sink and float separator as a buffer helps to "iron out" irregularities in the mill feed. By supplying a concentrate of constant grade to the flotation section—almost irrespective of the grade fed to the mill—the process also indirectly improves overall recovery.

2. The addition of a sink and float unit to an existing mill may result in a substantial increase in capacity at a low capital cost per ton.

3. Where the plant can be erected underground for the pretreatment of low-grade ores, a saving in hoisting costs is achieved and excellent "fill" is provided near the point of use.

4. Low-grade mixed oxide-sulphide copper ores may be preconcentrated to produce a flotation feed sufficiently rich to render the oxide residue from such flotation economic for subsequent treatment by leaching or other methods.

5. Hard gangue constituents that (a) cause high grinding costs or (b) affect flotation adversely can be separated at the start.

6. The low cost of separation of barren material at large sizes is particularly important when mining narrow veins or other deposits, resulting in close control of dilution that substantially increases the cost of mining.

Sampling Details

Samples for testing need careful selection, and separate samples may have to be taken to represent definite problems; e.g., the effect on the overall cost of various methods of mining, and the economic width to mine. Samples taken from vein material alone might give results of little value, when such problems require investigation. Samples should be sent of the whole ore as broken underground, not as crushed or smaller than one inch in size. For preliminary bucket test, 200 lb. or more are required.

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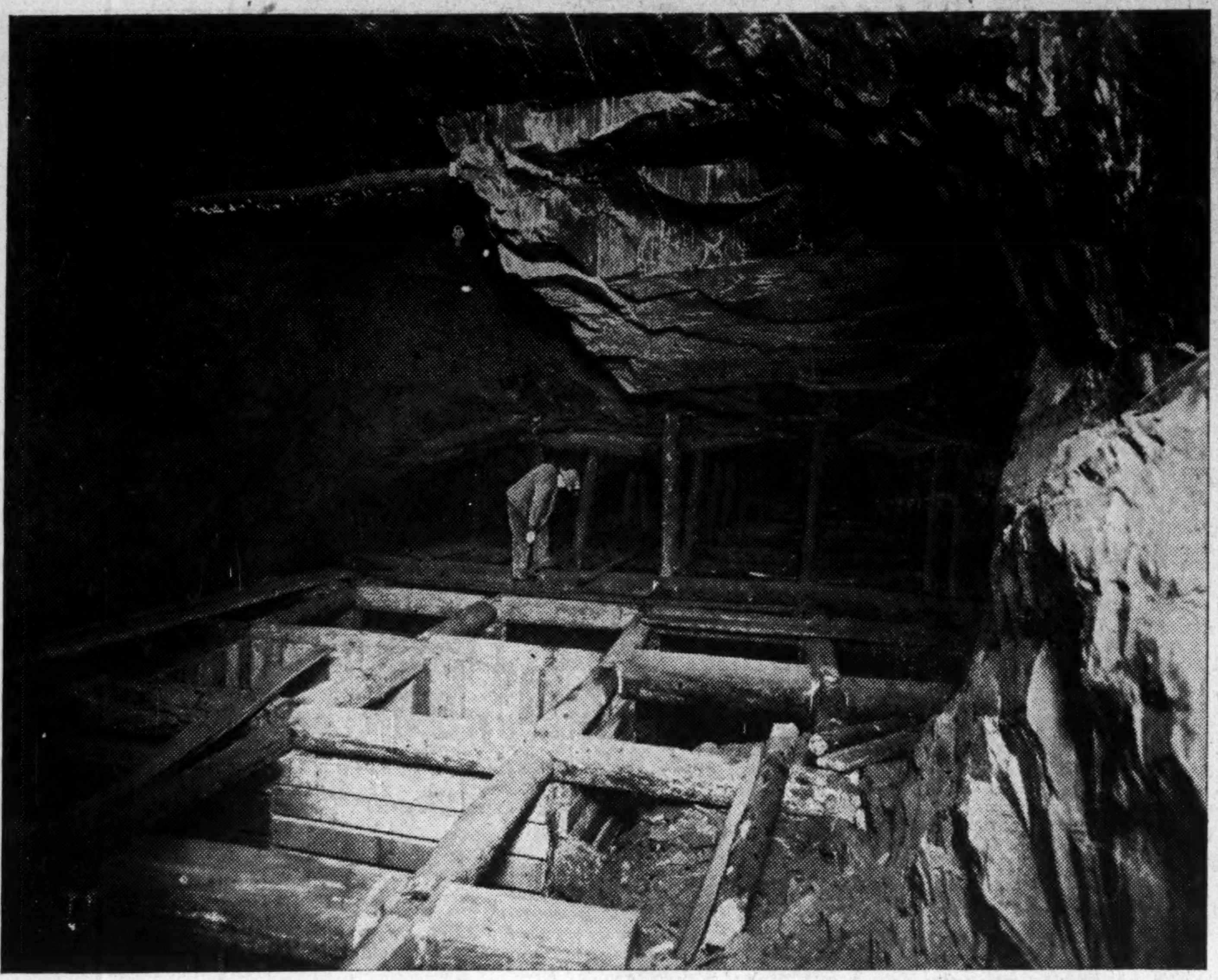

Mines use millions of dollars of lumber a year. Much of this goes to timber great stopes such as the square set stope pictured above. About half the money is used for round timber or pit props, the balance going for anything from fuel to siding. When wide stopes can be worked, very low mining costs usually can be secured if the problem of support does not become difficult. In the asbestos mines of Quebec it is impossible to use timber for support as wooden splinters may get into the asbestos fibre. For this reason, asbestos mines use steel for their support.

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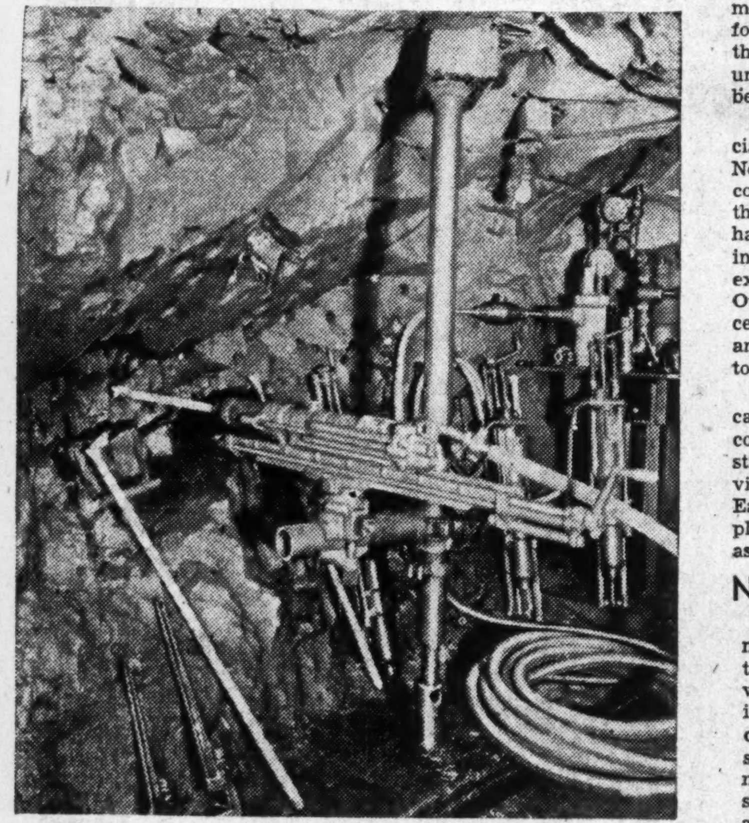
Mines Find Diamond Drills Success For Blast Holes

Mining history has been made in Canada the last few years with long diamond drill holes adapted to blasting of ore.

Since Noranda Mines showed that diamond drilling was not only practicable but economical for drilling long blast holes not so long ago, use of long drill holes has spread both in Canada and the United States. Aldermac, and East Malartic in Canada are among those which have joined Noranda in use of the diamond drill for blasting.

Diamond drilling for blast holes has become popular for two reasons. In the first place, where conditions permit, the tendency is to use "long shots" and to break at one blast an enormous tonnage of ore. Ordinary repercussion drills have a definite limit in the length of holes that can be drilled.

Progress made in diamond drilling itself is the second factor resulting in the use of the diamond drilling in blasting operations. Great improvement has been made in the diamond bit or crown, the present trend being to use many small diamonds or diamond-impregnated alloys and to produce a bit less costly, more robust and more easily renovated than the older types of bit, which were set with relatively large stones by highly skilled labor.



Continual improvement to drilling machinery has made possible faster development work at lower cost. Equally important complementary improvements have been made in drill bits and in hoseline

Something over a year ago, Noranda Mines had an overall diamond drilling cost of 45 cents a foot for rhyolite and 33 cents in the softer sulphide stopes. It is understood that these figures have been improved today.

Diamond drill costs in the special circumstances prevailing at Noranda do not exceed rock-drill costs and an important point is that the cost of diamond drilling has been reduced to half its original figure in the five years that experiments have been in progress. Overall cost at Aldermac is 50 cents. At East Malartic Mines, on another basis, the total cost per ton broken is 46 cents.

Diamond drill costs in these cases are warranted under special conditions, but percussion drills still hold the edge from the cost viewpoint, it is stated. J. P. Norrie, East Malartic general manager, explains that company's viewpoint as follows:

Norrie's Statement

"The main advantage of diamond drill stoping as compared to rock-drill stoping, is that the workmen are given a safer working place; the distributable mine charges are less; no steel and steel sharpening are required; no rock drill repairs are necessary; and less sampling and assaying are involved. The equivalent of steel and repairs on the diamond drill is made part of the direct charge. The main disadvantage is that the control on the ore limits is not as good.

"The diamond drill has its place in breaking ore and may be used to good advantage as a complementary tool to the rock drill."

Expect Improvements

Further improvements are expected in diamond blast hole drilling as the diamond drill itself is improved. Exhaustive experiments are now being carried on to determine the best type of bit or crown, the most efficient speed of rotation and the most suitable bit pressure. No core is required in this class of diamond drill work. A member of the Noranda engineering staff states: "The logical approach to higher drilling speeds is the elimination of the large proportion of time lost for core removal" by the use of a non-coring bit which grinds out the full volume of the hole.

This type of bit gives a lower cutting speed than the coring bit, but this is more than counterbalanced by the time saved in not having to remove the core. While the non-coring bit is superior in ore and the softer rhyolites, it is not successful in really hard rock and, therefore, bits, one giving one-eighth inch core and one a five-eighths core, have been designed for work in hard rhyolite, the practice being that the size of the core must increase with the hardness of the rock.

Working On Bit

Noranda is experimenting with the diamond-impregnated form of bit, among others, and has installed a sand-blasting unit for resharpening these bits.

At Aldermac Copper Corp., a concave-coring bit is used chiefly, similar to Noranda's No. 4 type, the non-coring bit used in softer ground. These bits are set with quite small diamonds.

At a United States mine which uses the diamond drill for blast holes, a drill bit problem has been solved in an unusual way. Since dulling of the bit occurred when the diamond particles wore down to the level of the holding carbide matrix, early research consisted partly of efforts to find a matrix which would wear, while drilling, at the same rate as the diamonds. Though this condition could be filled in an abrasive rock such as sandstone, it has been found impossible to attain in general practice.

The problem has been solved, however, by making the matrix as hard as possible with the natural consequence that the diamonds wear down level with it after a period of drilling. The bit is then resharpened by a small, sand-blasting unit, using silicon carbide as an abrasive, and in from two to five minutes of treatment in this unit the matrix is worn away, leaving the diamonds projecting and ready for another run of drilling. It is claimed that by this method 75% of the original content of the diamond can be worn away before the bit is discarded. Footages of 100 ft. in limestone, 50 to 70 ft. in diabase and 60 to 80 ft. in rhyolite have been obtained before resharpening is necessary.

Use Higher Speeds

There has been a tendency towards the use of higher rotating speeds in this type of diamond drilling. Speeds as high as 2,500 r.p.m. are now being used apparently successfully at Noranda Mines in drilling sulphides. Aldermac favors a speed of 1,800 r.p.m.

In the discussion in London on Noranda engineering practice on this type of drilling, it was indicated that in research work, a rotating speed of 2,900 r.p.m. resulted in the remarkable penetration of fresh granite at 11 inches per minute, using only 3 h.p., though diamond wear at this speed was high. But at 2,000 r.p.m., a penetration of 6.5 inches was obtained using only 2¼ h.p. with a relatively low diamond loss. At present it would seem that the practical use of high rotating speeds is limited by the lack of machines which will run at these speeds without excessive vibration.

There is not much evidence on the most suitable bit pressures to meet varying conditions. The only detailed investigations reported for this point are from the Soudan mine in Minnesota where results indicate that too high a bit pressure decreases the speed of penetration and causes excessive diamond wear. Experiments showed that, with a rotation speed of 1,000 r.p.m., the most effective bit pressure was from 1,500 to 1,700 lbs.

Diamond Loss Expensive

Since borts are expensive, the loss of diamonds in drilling is of much importance. Noranda appears to have been obtaining footages of 33 to 66 ft. per carat consumed. Aldermac appears to have been getting 25 ft. East Malartic consumption is indicated at a carat for 15 ft. drilled.

A possibility exists that diamond blast hole drilling may be advantageous in prevention of silicosis. With the drilling taking place chiefly at a distance from the face the quantity of loose dust in the mine may be reduced. However, drilling is only one of the causes of dust in a mine and drilling of blast holes by diamond drilling will not be sufficient by itself to overcome the silicosis problem.

Ordinary percussion face drilling, of course, depends on compressed air for motive power. It is, therefore, a relatively high consumer of power. A rotary bit, however, may be operated directly by electricity with a great saving in power. One case on record, puts the reduction in power required by using electricity directly in an operation instead of compressed air as a lowering from 300 to 40 h.p.

Some details on blast-hole drilling at East Malartic up to July 1, 1940, are given in an accompanying table.

Data on Blast-Hole Diamond Drilling at East Malartic

Stope	Tons Broken	Diamond-Drill Shifts	Feet Drilled	Pounds Powder	Tons Estimated Slough
2-4	25,155	81	2,465	1,025	....
2-3	19,714	66	2,309	1,090	....
2-2	7,402	27	586	433	9,277
Sub-total	52,271	174	5,360	2,548	9,277
2-1 S	7,808	125	3,230	1,898	6,434
Total	60,079	299	8,590	4,446	15,711

	Exclusive of 2-1 S Stope	Including 2-1 S Stope
Tons per diamond-drill shift	300	201
Tons per foot of hole	9.75	7.00
Feet per diamond-drill shift	30.8	28.6
Tons per pound of powder	20.5	13.5

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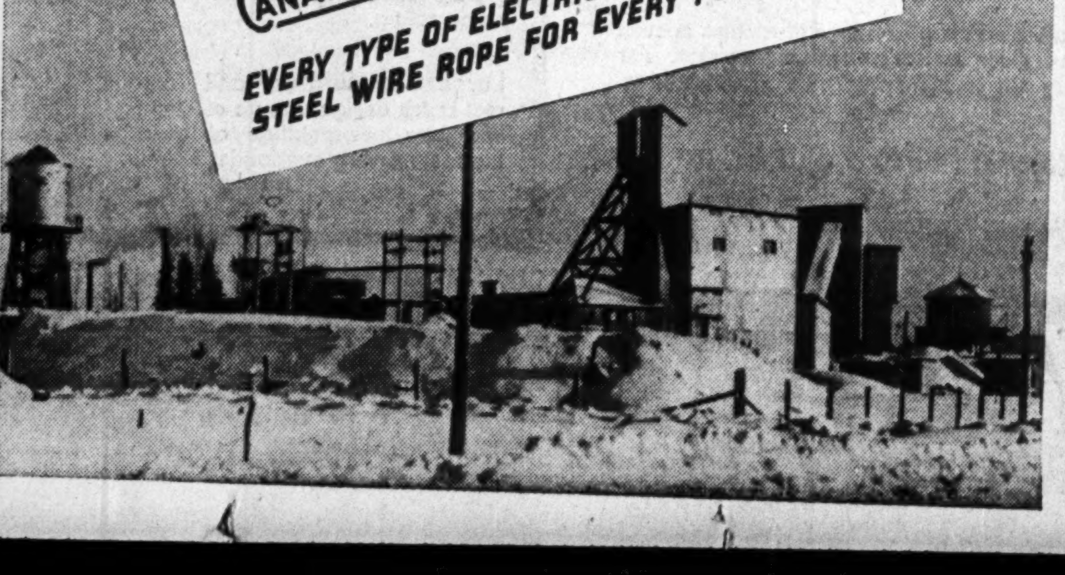
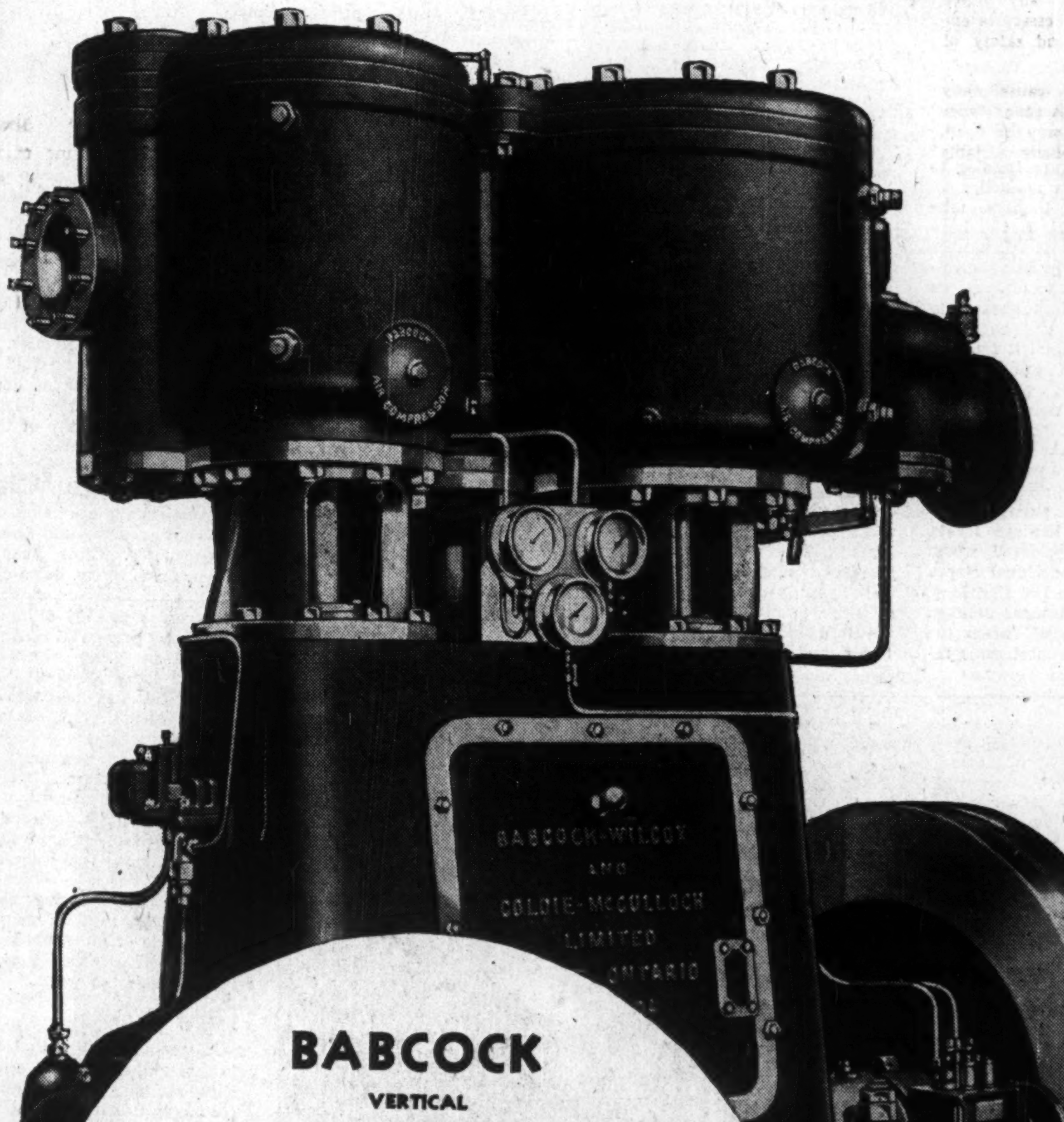


BELOW—The new 500-ton mill at Hoyle Gold Mine Pamour, Ont. —



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Accidents Don't "Happen"

More and More Being Eliminated by Planning

Accidents mean a very real cost to the mining industry—a cost that mining operators are busy cutting down by improved methods and equipment.

In Ontario where a large proportion of Canada's mining industry is concentrated, mining operators have formed the Ontario Mining Association which has been a leader in the drive for safety measures in mining. Recently, Manitoba formed a similar association.

When an accident occurs the immediate expense may not be great. But the final expense may bulk large. One injury may cost as much as $27,000 in hospitalization and compensation. A set of lost eyes has cost as much as $25,000. Accidents, too, cause expense through destruction of equipment and lost time for other employees.

Don't Just "Happen"

From his study of accidents over a period of years Dr. Charles H. Hair, medical man of the Ontario Mining Association, has found that accidents don't just happen. Some mines have more than others. Some men are prone to accidents. It is the work of bodies such as the Ontario Mining Association to find out the causes of accidents and, knowing this, to have operators take steps to eliminate the cause.

As the scope of mining extends, however, new accidents occur which were not previously thought possible. No matter how many safeguards are put in, human beings err.

Regulations Helpful

Based on a study of what has been the cause of accidents in the past definite regulations governing the operation of mines have been set down by the Mining Act of Ontario. Wide powers are given to the mining inspector to see that regulations are enforced. Here are some of his powers:

(1) To enter and inspect any mine at any reasonable time, but so as not to unnecessarily impede or obstruct the working of the mine.

(2) To order work to be stopped and all persons to leave any mine or part of a mine he considers unsafe.

(3) To exercise any other powers deemed necessary to ensure the health and safety of miners.

As equipment can cause many accidents, regulations cover types of machinery that may be used. Every mine must have suitable firefighting equipment provided and maintained at every head frame, shaft house or any other building whose loss might endanger the entrance to the mine. Firefighting equipment must also be provided underground at points where fire hazards exist.

If stoping or mining is being carried on, a separate escapement shaft must be provided for workers' protection.

Use Warning Gas

Every mine producing over 100 tons of ore per day must have a special warning system for miners underground. This consists of approved apparatus for introduction into the working of a special warning gas.

Buildings above ground are not the only place where fire doors are valuable. Mines are required to place fire doors in workings to cut off the shaft from other portions of the mine.

When the chief inspector considers it necessary for protection of workers underground he may recommend to the Minister of Mines that connections be made between different mines for escapeways. A committee of three people may be appointed to decide where connections should be made.

Ventilation Set Down

The Ontario Mining Act also provides that ventilation in every mine shall be such that the air in workings shall be free from noxious impurities and shall contain sufficient oxygen to obviate danger to health. If these conditions cannot be secured by natural means, mechanical ventilation must be provided and kept in operation. All fans and all structures installed must be of fireproof construction.

Explosives used in a mine are a potential source of danger and many safeguards are provided to prevent accidents. Special buildings must be erected for storage of explosives; these must be located where they will not endanger other buildings, roads or railways. When supplies of explosives are removed from a magazine, those longest in the magazine must be used first if they are not defective. In all cases where explosives have become defective, they must be safely disposed of.

—Canadian Industries Limited photo.

Development of new and safe explosives designed to meet the special conditions encountered in Canadian mines has been a vital contribution to increased safety of operations and to swifter development.

Safeguard Explosives

Storing of explosives underground is especially safeguarded. Not more than 48 hours supply of explosives may be kept underground at any time. Not more than 300 pounds of explosives can be stored in any one place. If an underground magazine is established, up to 2,500 pounds of explosives may be stored only if special permission is obtained.

An important safety regulation prevents storage of detonators or blasting caps in the same storage building as other explosives. Underground the two must be kept separate.

In charging holes for blasting no iron or steel tool or rod may be used in any hole which contains explosives. No drilling may be done either within six inches of any hole that has been charged and blasted or any remnant of such hole. No drilling shall be done within five feet of any hole containing explosives. Missed holes must be fired. These regulations have helped wipe out the old problem of miners drilling into holes already containing explosives.

Stresses Safety

Equipment used in mines and by miners places an important emphasis on safety. For instance, every person entering a mine must wear a protective hat manufactured especially for such service. The top of every shaft must be securely fenced or protected by a gate or guard rail, and every pit or opening dangerous by reason of its depth must be securely fenced or otherwise protected. Gates must also be installed at all shaft and winze openings.

All shafts and winzes must be properly timbered and during sinking operations timbering must be maintained within a distance of at least 50 ft. from the bottom. Lifelines must be provided for men working on jobs where they will give greater safety.

The records prove that accidents can be reduced when mine managements make safety a definite and incessant policy. This means not just the mine manager but mine captains and shift bosses. The shift boss who has direct contact with the miners has the most important responsibility of seeing that regulations are enforced.

One method of getting the interest of shift bosses has been offering of special prizes for safety records. Classes of miners are also held at which safety measures are discussed. St. John's Ambulance courses have also been carried on at a great many mines.

Violations of the Ontario Mining Act are followed by prosecutions and fines—maybe suspension. If a miner loses a couple of days' work because he did not follow certain safety rules, remaining miners are definitely encouraged to see rules are obeyed.

There are two stages of the mining industry when accidents take a large toll. The first is when construction is under way. The second place where accidents often occur is during shaft sinking.

Eighteen chief causes of surface accidents are known and 34 for underground. Above ground accidents often involve machinery and plant equipment. Men have slips and falls from elevators, or may be struck by falling objects. Eye injuries are numerous. Handling of supplies and materials may mean accidents. Men suffer from sprains and strains, chemical burns.

Goggles Save Eyes

Goggles cut down the rate of eye injuries drastically but it has sometimes been difficult, however, to induce miners to adopt their regular use. Strains and sprains are frequently caused through not understanding proper methods of lifting—elementary as this may seem.

Rock falls underground are responsible for a number of accidents but their importance has been unduly stressed.

Accidents from rock falls have four main causes. Scaling off loose rock after blasting may have been carelessly done. Timbering may have been placed incorrectly and support may give way under pressure. Ground may loosen in a place where no support is usually required. Rock blasts may cause injuries. Jammed ore chutes sometimes lead to carelessness—and accidents.

Steel Breaking A Danger

Handling and hauling of rock underground causes some accidents. In drilling, accidents occasionally occur due to steel breaking. For after long use, steel loses its temper and its strength.

A great improvement has taken place in explosives and its uses in recent years, but accidents still occur at times. Washing of faces is now aiding greater safety. With fewer missed holes and a careful handling of holes missed, danger has been sharply reduced.

Regulations and equipment for bringing about greater safety may seem a great added expense. Actually a great saving is involved not only to the mining companies but in the conservation of lives. Greater safety is one of the steps in mine modernization to secure low costs.

All mines must pay into a common pool for compensation for both lost time and pensions. If one mine has a high accident rate it forms a drain on other mines. Consequently it is important for teamwork if mines are to secure low compensation costs.

Mine Plant Far In The Arctic One of Canada's Most Modern

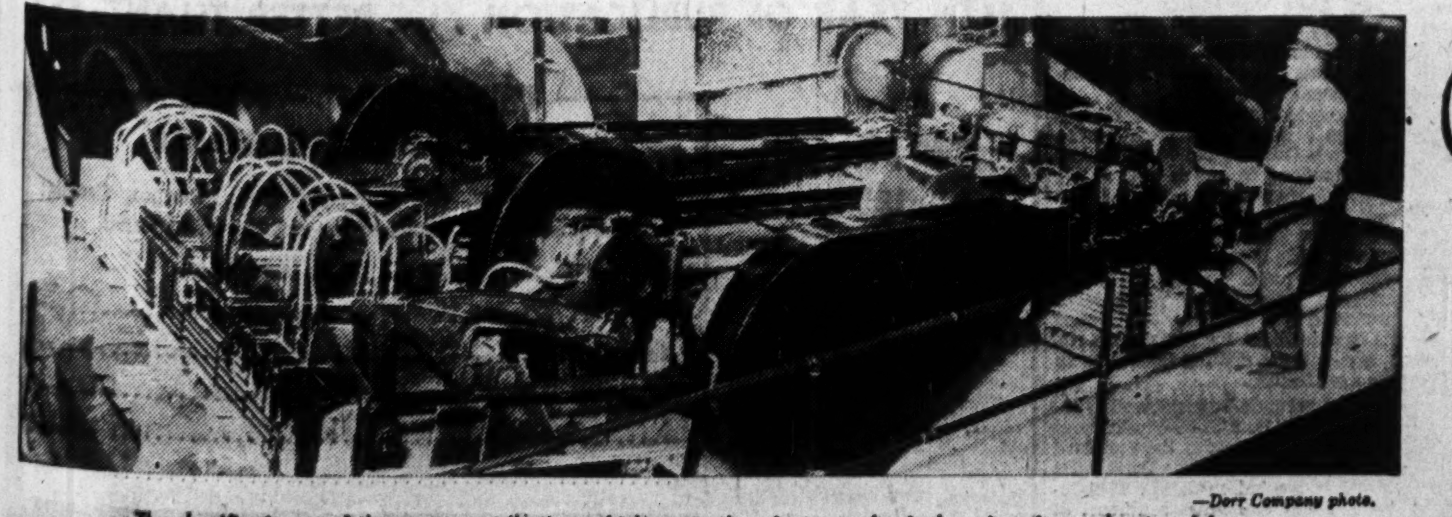
The $600,000 power plant of Consolidated Smelters, installed 18 miles north of Yellowknife, is one of the most modern power plants in the northland in spite of its location above the Artic circle.

Bringing this project to completion with its 4,500 h.p. involved construction of a dam to raise the level of Blue Fish lake sufficiently to ensure a steady stream of water, and blasting of a tunnel 900 ft. long through solid rock. This tunnel has dimensions of 14 ft. x 10 ft.

Construction of the 22-mile transmission line was accomplished with only the exercise of great skill and ingenuity. It was necessary to cut and burn a swath 75 ft. wide through brush and timber. The whole country consists of rock and muskeg, rushing rivers and turbulent lakes. All offered tremendous obstacles to construction.

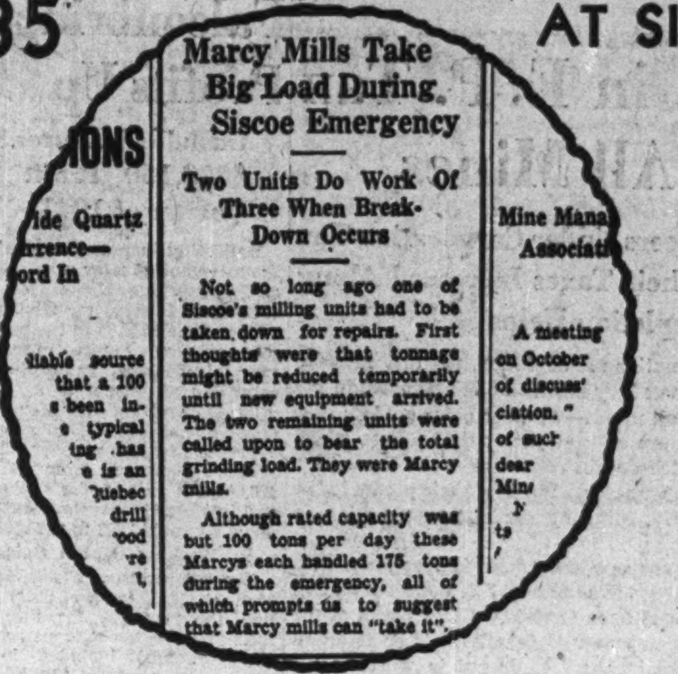
There are 199 steel towers between the power plant and the mine. Each one weighs 1,100 pounds and is at least 50 ft. high. For each tower, four holes had to be drilled into the rock. When the men were working on granite, it required three days to drill a single hole.

Before hydro-electric power became available in Yellowknife, Diesel engines had to be depended on for a supply of power. Besides the large initial cost of about $20,000 a generator upkeep and fuel costs were found to be high. One large mine would use 100,000 gallons of fuel oil a month. With hydro-electric power giving reduced costs, development of further mines in the area is expected to be speeded up.



—Dorr Company photo.

The classifier is one of the many contributions which up-to-the-minute mechanical engineering makes to mining.



In 1935 AT SISCOE

Marcy Mills Take Big Load During Siscoe Emergency

Two Units Do Work Of Three When Break-Down Occurs

Not so long ago one of Siscoe's milling units had to be taken down for repairs. First thoughts were that tonnage might be reduced temporarily until new equipment arrived. The two remaining units were called upon to bear the total grinding load. They were Marcy mills.

Although rated capacity was but 100 tons per day these Marcys each handled 175 tons during the emergency, all of which prompts us to suggest that Marcy mills can "take it".

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SO, NATURALLY IN 1941,
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Week in Mining

10% Boost in E. P. Tax Applies to All Mines

Junior Gold Producers Under Corporation Tax "Umbrella" See Their Taxes Increased Along With Others — Depletion Helps

Allowing the one third exemption for depletion, the 10% increase in the Dominion excess profits tax levy means a 6.7% increase in the minimum tax requirements of all mines—whether older gold or base metal producer or corporation tax exempt junior gold. Base metal mines, and the gold mines which do not come under the three-year exemption rule, must now pay over at least 26.7% of their profits to the Dominion against 20% formerly, allowing depletion exemption in each case.

Taxation of corporation tax exempt junior gold is nearly doubled, the minimum rate of tax now being 14.7% against 8%. Before depletion allowance the tax rate is increased from 12 to 22%. One result of the increase in the excess profits tax on junior golds will likely be abolition of any use of 75% of the "excess value" of output in working out taxes payable.

Lindsleys Start Search

Following the request of the Dominion Government for an intensified search for "war metals," the Lindsley interests of Toronto have organized Frobisher Exploration Co. to carry out this work.

At the annual meeting this week of Coniaurum Mines — a Lindsley-controlled company — shareholders were informed that $15,000 was being provided Frobisher Exploration Co. as Coniaurum's initial investment in the new venture. As work proceeds, Frobisher will need further money, President Thayer Lindsley advised shareholders, and part of Coniaurum's cash reserves will be used to finance the company's activities.

Through Ventures Ltd., the Lindsleys were pioneers in carrying on exploration in the northland. Mining people will undoubtedly be glad to know they are resuming exploration—it is a field they know well.

* * *

Holds Two Meetings

Something new in the way of shareholders' meetings is being inaugurated by Duquesne Mining Co. which recently commenced sinking of a shaft on its property in the Duparquet area, Quebec, near Beattie Gold Mines. Instead of holding just one meeting the company plans to hold two.

The regular annual meeting of shareholders will be held shortly in Noranda, Quebec, where official business will be transacted. Besides this, however, a meeting will be held in Pittsburgh April 29 at 8 p.m. This will be an informal meeting for discussion with the company's group of Pittsburgh shareholders.

* * *

Mart For B. C. Iron Ore

British Columbia iron ore may possibly find a market through a new United States west coast steel industry reported to be under consideration. Washington despatches state approval has been given at the Office of Production Management for a steel production industry of $150 millions for either Oregon or Washington.

For some time a steel industry has been mooted for the U. S. Pacific coast and apparently plans are now nearer realization than at any time before. Since proposals have often suggested British Columbia as a potential source of supply for iron ore, new developments are being watched with keen interest in the west coast province.

* * *

U. S. and B. C. Iron

Here is what George Watkin Evans, a Seattle engineer, has to say about a new U. S. steel industry and B. C. iron ore:

"By all means an iron industry should be established on the Puget Sound. Higher grade iron ore can be delivered to the Sound area at a lower cost than to the Columbia region.

"There is ore on the west coast of Vancouver Island that is very low in phosphorous and sulphur and very high in iron content; can be quarried very cheaply and barged down to a Puget Sound mill at small expense.

"There is also a very cheap low-cost limestone that can be delivered here for about $2 a ton. We have high-grade coking coal in Pierce County and can offer the same cheap power rates as the Columbia River area."

* * *

Break-up Comes Early

With flying operations resumed into the north country on April 28, break-up has apparently arrived several weeks earlier than usual this year. All the ice is now said to be out of the lakes in the Uchi Lake and Pickle Crow districts.

An early break-up will likely mean prospectors can get an early start this year. Several interesting discoveries were made in western Ontario last year and further work will get under way shortly, it is expected. Flying operations on regular schedule are again under way.

Mining Concentrates

Base Metals Mining Corp. continued to produce at full capacity during the first quarter of 1941. Production of ore from the Kicking Horse mine commenced Feb. 3, 1941, and is furnishing about 130 tons daily to the mill; balance is coming from East and West Monarch ore bodies. Zinc prices have remained steady and there was a slight increase in the price for lead in March.

* * *

Cochenour-Willans Gold Mines produced $217,173 from 14,695 tons of ore in the first quarter of 1941 for an average recovery of $14.71 a ton. This compares with fourth quarter output of $226,279 from 13,989 tons of ore with average recovery of $16.17 a ton. It is pointed out that in arriving at the first quarter figure, mint returns for bullion are taken, but concentrates are estimated, as none of the concentrates have yet been treated at the smelter. Tailings for the first quarter averaged $1.31 per ton with a decided improvement in March when tails averaged 69 cents a ton. Average mine grade milled for the quarter was $3.02. Gold is taken at $38.50 an ounce.

* * *

Jason Mines has paid off the $28,835 balance on its mortgage which remained due under the agreement with trustees of Argosy Gold Mines. Settlement had been delayed for some time awaiting a meeting of the inspectors of Argosy Gold Mines (in bankruptcy). It is anticipated that a distribution of Jason shares will be made to Argosy shareholders shortly on a 1-for-5 basis.

* * *

Jerome Gold Mines completed sinking of its shaft from 500 to 800 ft. and cutting of stations on March 31, 1941, quarterly report of Mining Corp. of Canada reveals. Some timbering remains to be done, however. With a few minor exceptions, all materials for the 500-ton mill and additional mining equipment required have been delivered at the property. The new power house was completed and a new hoist and compressor partially installed. Mill foundations, walls and foundations for some equipment are completed and foundations for the crusher house partly installed. Power was to be turned on April 19, 1941.

* * *

Manikuru Goldfields shareholders are informed by President D. M. Hogarth that 164,254 shares or 80% of company's outstanding capital have been turned in on an offer of South American Gold Areas to exchange three of its shares for two Manikuru shares. The offering is now closed and South American Gold Areas will advance further operating expenses to Manikuru from now on, it is stated.

* * *

Matachewan Consolidated Mines realized net earnings before write-offs of $22,281 in the first quarter of 1941 compared with $27,092 the corresponding period of 1940 on the same basis. Bullion production was slightly lower at $191,604 against $197,831 although tonnage of ore milled increased from 42,385 to 48,119 tons.

* * *

Normetal Mining Corp. increased its production considerably in the first quarter of 1941 over the first 1940 quarter, with increased Diesel-generator capacity available. Sinking No. 3 shaft from the 1,000 to the 2,000-ft. level was completed in the first quarter and crosscuts have intersected the ore body on the 1,535-ft. and bottom levels. Results were approximately those previously shown in diamond drilling. Drifting is under way but it will be some time before this and lateral drilling will be advanced sufficiently to permit determination of widths and grades. Crosscuts on the 1,685 and 1,835-ft. levels have not reached the ore body; this work was delayed to permit raising of ore passes.

* * *

Spud Valley Gold Mines shareholders have approved acquisition of the North Star group of claims adjoining company's property in Zeballos area, Vancouver Island.

* * *

Sylvanite Gold Mines has declared a dividend of 7 cents a share in Canadian funds payable June 30, 1941, to shareholders of record May 5. Ex-dividend date is May 2. Holders of bearer share warrants should present coupon No. 43.

* * *

Teck Exploration Co., Teck-Hughes subsidiary, is reported to be exercising its option on the property of Beaucourt Gold Mines. Exercise of the option calls for formation of an entirely new company; under the agreement completed April 30, 1940, Teck Exploration Co. was granted options on shares involving $600,000 with any further funds required to reach production to be provided by a loan. Teck is reported to have spent $100,000 on drilling the last year.

Approve Amalgamation Six Oil Companies

At special meeting held in Calgary on Mar. 28, shareholders of Foundation Petroleums, Monarch Royalties, Firestone Petroleums, Prairie Royalties, Westflank Oil Co., Spy Hill Royalties, Coronation Royalties, Sundance Royalties and Frontier Royalties have approved amalgamation of the companies into a new company —Amalgamated Oils—which will issue 1.5 million of its shares for properties taken over.

Productive capacity of the wells and assets of the amalgamating companies were taken into consideration in determining the basis on which companies were to be taken over. Distribution of shares as approved is as follows:

	%	New Shs. Rec'd.	New Co. Shs.	Old Co. Shs.
Foundation	5	75,000	34 for	500
Monarch	7½	112,500	45 for	500
Firestone	5½	82,500	33 for	500
Spy Hill	2	30,000	10 for	500
Westflank	13	195,000	39 for	500
Prairie	14	210,000	84 for	500
Coronation	19	285,000	95 for	500
Sundance	17	255,000	85 for	500
Frontier	17	255,000	85 for	500

Falconbridge Profits Up

Unaudited Figures Show $228,160 Profit First Quarter of 1941

Reflecting increased operations at the mine and greater sales, earnings of Falconbridge Nickel Mines increased to $228,160 the first quarter of 1941 from $75,505 in the preceding three months. Figures in each case are subject to audit and exclude non-operating revenue.

Gross operating profit for the first quarter was $474,668, up about 50% over the previous quarter. Tax allowance increased from $30,000 to $76,000 but charges for depreciation and deferred development were down from $217,803 to $170,508.

Working Capital Gains

Current assets of $7,062,755 as at Mar. 31, 1941, were slightly higher than the $6,940,720 for the end of 1940. Norwegian current assets (in enemy hands) included in these totals amounted to $1,395,514 and $1,501,903 respectively. Working capital before deducting Norwegian items amounted to $6,394,953 as at Mar. 31, 1941, against $6,325,413 for the end of 1940. After deducting Norwegian items, working capital was $5,125,194 at Mar. 31, 1941, compared with $4,823,510.

Canadian Malartic Profit Higher

Equipment For Raising Capacity to 1,000 Tons Now Being Ordered

Although operating costs were higher due to an enlarged development programme, Canadian Malartic Gold Mines increased operating profit to $98,796 the first quarter of 1941 compared with $91,341 the corresponding quarter of 1940. With 70,204 tons of ore milled in the 1941 quarter, $321,109 was recovered against $277,770 from 61,659 tons the corresponding quarter of 1940.

While tonnage treated was greater than in the first quarter of 1940, it was somewhat lower than the immediately preceding quarter. Ore grade was higher, however.

During the quarter, the haulageway on the 750-ft. level to No. 3 shaft was completed and ore from this source is now being treated. The winze in the 708 ore body was completed at 1,140 ft. and levels are being developed at 1,000 and 1,125 ft. Levels have not yet reached the ore body.

On the 625-ft. level, 1,812 ft. east of No. 1 shaft, diamond drilling has cut 26.6 ft. of ore averaging 0.15 oz. gold per ton.

Carrying 701 drift east from 708 ore body on the 875-ft. level was completed 200 ft. Two diamond drill holes at this horizon cut mineralized material below ore grade. The drift is being continued.

Equipment for increasing output to 1,000 tons daily is being ordered.

Inco Expansion Will Allow Milling Low Grade—Stanley

Expansion projected for this year will provide for both continuing and augmenting the programme of increasing the ratio of low grade to high grade ore mined, President Robert C. Stanley informed shareholders of International Nickel Co. at the annual meeting. This programme is also aimed at treating an increased tonnage from the mine.

ROBT. STANLEY

"The most important duty of your management during the first full year of operations under war conditions was to provide an adequate supply of nickel, copper and platinum metals to meet all the demands for the war programme of his Majesty's Governments in Canada and Great Britain," Mr. Stanley stated.

"Furthermore, the defense programme of the United States Government, in conjunction with its policy of aid to Britain, is adding heavily to the toll on our output of nickel.

Expansion Accelerated

"To meet the situation we have not only continued our programme of balancing smelter and refinery capacity with mine output but have augmented and accelerated this programme by making plant extensions wherever possible and utilizing all available facilities. In addition we are treating and refining the entire bessemer matte output of Falconbridge Nickel Mines. Due to these efforts nickel output was increased in 1940, and is being further expanded this year.

"Copper production resulting from increased nickel output, and from treatment of Falconbridge bessemer matte, exceeded the capacity of our copper refinery and we found it necessary to make outside arrangements for refining a portion of our copper.

"In 1940 our sales of nickel in all forms were in excess of the sales in 1939, as were the sales of copper. Sales of platinum metals, however, were lower because of restricted markets.

Refined Metals Down

"Inventories at the year end stood at $32.5 millions, an increase of $1.8 million. While inventories of refined metals showed a decrease due to the heavy demand for the war and defense programmes, inventories of metals in process were considerably higher because of the enlarged scale of plant operations. Stocks of fuel, fluxes and supplies used in the company's operations also stood at a somewhat higher figure, due partly to increased prices and partly to the need of larger quantities for increased operations.

"While owing to the exigencies of the war period, results from development activities are not currently publicized, this important work is being continued. Results are being obtained which will unquestionably prove to be a stabilizing factor in the transition of the company's business from a war footing to a peacetime basis after hostilities are over. It is not improbable that, as in the world war, the engineer and metallurgist will create new processes and a demand for better materials, all of which will aid the nickel industry in its return to normal progress."

Week in Oils

From Our Own Correspondent

CALGARY.—Despite an 800-barrel per day reduction in allowables of Turner Valley limestone oilwells on April 1 to provide for anticipated completion production and to create a reserve productive capacity, Turner Valley all-source production for the first three weeks of April averaged 27,141 bbls. per day, compared with a daily average in March of about 26,840 bbls.

Responsible for the biggest part of the increase was the heavy "completion production" recorded in April's third week. Production that week rose to a near record daily average of 27,565 bbls.

* * *

Averages Latest Week

Daily averages from each source for the week ended April 21, with the daily average for the previous week in brackets thereafter, as reported by the Conservation Board, were as follows: limestone oilwells (including "completion production"), 26,562 bbls. (25,968 bbls.); limestone naptha-gas wells, 140 bbls. (140 bbls.); shallow crude oilwells, 17 bbls. (17 bbls.); absorption plant gasoline, 846 bbls. (905 bbls.).

The number of completed wells "on test" has been increased to eight with completion of drilling at Northwest Hudson Bay No. 5, in the far south end of Turner Valley. Satisfactory porosity was reported in the two limestone productive zones, and it is expected the well will prove a good producer.

* * *

Allowable Stays Same

Field allowable is going to be left at the March and April figure of 26,000 bbls. per day, exclusive of absorption plant gasoline recovery, but including limestone oil and naptha wells, shallow oilwells and anticipated May "completion production."

This will necessitate a downward revision of allowables of many wells which operated under quota in April. This will both ease the strain on many wells which have been pulled in recent months to help meet "war emergency" demands, improve them by giving them a bit of a rest, and also increase the "reserve productive capacity" of the field.

* * *

28 Wells Drilling

Despite the completion of half a dozen wells since the first of April, 28 wells are now drilling in Turner Valley, with several more scheduled to spud in the near future

The number of drilling wells was bolstered the past few days by the spudding in of the Royalite-Model No. 1 well in L.S.D., 1 22-20-3w5 in north Turner Valley, the Drillers & Producers No. 1 well in L.S.D. 13 7-19-2w5 on the southerly part of the central flank, and the resumption of drilling at the Harris No. 3 well, deep test on the northerly part of the central flank. Royalite-Model is now drilling below 600 ft., while Drillers & Producers 1 is below 200 ft.

* * *

Princess 3 Producing

In the Princess Field, Standard of British Columbia's Princess No. 3 well was placed back on production early this week after the water-bearing chert bed had been re-cemented off. The well obtains production from the sunburst sand, overlying the Madison lime and chert bed.

Standard's Princess No. 4 Well, is scheduled for completion this week. The Princess No. 5 well is making fast time below 3,063 ft., with the Sunburst sand, Chert Bed and Madison lime expected this week. Princess No 2, which discovered a rich oil bearing zone a short distance in the Madison lime, is shut in pending completion of Princess No. 4. Steps will then be taken to reduce gas-oil ratio and probably also to re-cement to ensure a better shut-off of the water-bearing Chert Bed immediately overlying the lime.

* * *

Steveville 3 in Water?

Anglo-Steveville No. 3 well has been drilled 79 ft. into the Madison lime to 3,356 ft. Somewhat lower structurally than the Princess No. 2 well, three-quarters of a mile to the southwest, Anglo-Steveville No. 3 is understood to have encountered water and oil in the zone from which the Standard well produces. It is therefore expected that drilling will be carried deeper to test possibilities of the lower Madison and underlying Devonian limestones.

* * *

Spud Two New Wells

Besides the two big operators, Standard and Steveville Oil, two independents have joined in the development at Princess.

Anaconda-Patricia No. 1, backed through a net royalty issue by the Anaconda Oils and Patricia Oils, has been spudded in and is now at 471 ft. with surface casing cemented. The well is being drilled under contract, using light rotary equipment.

Princeville Petroleums, backed by Vancouver and eastern Canadian interests, through the purchase of preferred net royalties, has staked its first wellsite, for Princeville No. 1, and will get drilling underway in the near future.

The Anaconda-Patricia well is located in L.S.D. 9 31-20-12w4, about 5½ miles northwest of the Standard Princess No. 2 well. The Princeville No. 1 is located in L.S.D. 13 4-20-11w4, about two miles southeast of the Princess No. 2 well.

Mining Company Reports

Okalta Oils

With both royalty and production income dropping sharply, Okalta Oils net profit declined to $38,860 or two cents a share in 1940 from $62,752 or 3.5 cents the previous year. In spite of retirement of balance of preferred stock, however, working capital increased from $26,805 to $110,640.

Failure of production to meet expectations, increased income taxes, war tax and foreign exchange on U.S. currency, precluded payment of a dividend last year, W. S. Herron, president, states.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Royalty income	130,615	275,032
Net production	*5,498	36,039
Other income	1,876	2,849
	126,993	313,920
Less: Depletion	32,654	68,758
Field exps.	6,978	12,010
Other expenses	24,408	†149,439
Inc. taxes	24,093	20,961
Net profit	38,860	62,752
Add: Prev. surp.	127,338	64,586
Written off	21,827	......
Surp. fwd.	144,371	127,338

*Debit. †Including write-offs.

Earnings per Share and Dividend Record:	1940	1939
Earned	$0.02	$0.035
None paid.		
No. of Shs. Outstand.	1,800,000	1,800,000
Working Capital		
Current assets	189,116	75,174
Current liabilities	78,476	48,369
Working capital	110,640	26,805

Federated Petroleums

Earnings of Federal Petroleums declined to $36,237 or 2.5 cents a share in 1940 from $65,842 or 4.5 cents last year. President R. A. Brown points out that operating profits of subsidiaries before write-offs and taxes brought operating income to approximately $220,000.

Directly and indirectly, a 60% interest was acquired in Chinook Oils, which in association with B.A. Oil holds an option to lease 680 acres in central Turner Valley. Two wells are drilling.

During 1940, 249,900 shares of Vulcan-Brown Petroleums, 127,499 shares of Three Point Petroleums, 104,866 shares of Royal Crest Petroleums and 97,900 shares of Four Star Petroleums were acquired at what were believed to be advantageous prices.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Net royal. inc.	22,232	49,793
Subsid. profits	35,497	74,991
Prod. profit	1,883	......
Total income	59,612	124,784
Less: Expenses	11,614	32,260
Depletion	3,490	21,476
Shares w/o	8,271	303
Invest. res.	......	1,000
Inc. taxes	......	3,903
Net profit	36,237	65,842
Less: Dividends	36,923	36,219
Surplus for year	686	29,623
Add: Prev. surplus	29,623	......
Surplus forward	28,937	29,623
Earnings per Share and Dividend Record:		
Earned	$0.025	$0.045
Paid	0.025	0.025
No. of Shs. Outstand.	1,476,940	1,476,940
Working Capital		
Current assets	211,127	232,740
Current liabilities	110,674	107,851
Working capital	100,453	124,889

Yukon Consolidated

Slightly lower profits but substantial increases in working capital and gravel reserves are features of the 1940 report of Yukon Consolidated Gold Corp.

Net profit was $769,807 or 14.6 cents a share compared with $781,837 or 17.1 cents a share the preceding year. Issue of 716,940 shares in 1940 was partially responsible for increase in working capital from $524,411 to $980,791. Mortgage debt was reduced from $1.5 millions to $1,276,000.

During 1940, 10,480,799 cu. yds. of gravel were handled, an increase of approximately 400,000 cu. yds. At the end of 1940, gravel reserves were 92,626,000 cu. yds. averaging 42.2 cents ($35) gold. An additional 30 million cu. yds. was estimated for Bonanza Creek with $4.2 millions gold content. Yardage being worked by dredges Nos. 2 and 3 was not included. At the end of 1939, reserves were 86,042,000 cu. yds. of 44.48 cents average without estimating Bonanza.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gold production	2,621,256	2,742,162
Power sales	25,860	25,338
Misc. income	2,143	2,808
Total income	2,649,259	2,770,308
Less: Oper. exps.	1,283,213	1,348,930
Operat. profit	1,366,046	1,421,379
Less: Head off. exps.	50,891	58,610
Depreciation	354,511	354,084
Amortization	47,484	47,484
Interest (net)	*1,512	17,217
Mortg. interest	77,238	90,000
Taxes	67,627	72,147
Net profit	769,807	781,837
Less: Dividends	422,597	......
Surplus for year	347,210	781,837
Add: Prev. surplus	1,050,416	268,579
Surplus forward	1,397,626	1,050,416

*Credit.

Earnings per Share and Dividend Record:	1940	1939
Earned	$0.146	$0.171
Paid	0.10	nil
No. of Shs. Outstand.	5,284,889	4,570,949
Working Capital		
Current assets	1,096,467	680,899
Current liabilities	115,676	156,488
Working capital	980,791	524,411

Conwest Exploration

Substantial improvement took place in the position of Conwest Exploration Co. in 1940. An increase in investment income from $54,578 to $102,235 resulted in net profit of $59,339 or 4.7 cents a share against a $4,570 loss in 1939. An excess of current liabilities over current assets of $91,019 was changed to net working capital of $62,213 in 1940.

Work is being continued on the Hunter Basin property where 197 ft. of drifting has been completed averaging 0.35 oz. gold, 15 oz. silver, 12.26% copper across an average width of 1.35 ft. It is expected work will be continued this winter and if results warrant, a mining plant will be taken in.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Mount Zeballos divds.	55,100	......
Willow Creek divds.	39,900	49,875
Prem. U. S. funds	3,990	3,288
Int. & divds.	220	......
Management fee	3,000	1,375
Rent received	25	40
Total income	102,235	54,578
Less: Gen. & admin. exp.	4,619	11,008
Interest (net)	618	383
Exploration w/o	37,518	44,558
Depreciation	141	140
Incorp. exp. w/o	......	3,059
Net profit	59,339	*4,570
Less: Prev. deficit	4,570	......
Surplus forward	54,769	*4,570

*Deficit

Earnings per Share and Dividend Record:	1940	1939
Earned	$0.047	nil
None paid.		
No. of Shs. Outstand.	1,250,007	1,250,007

See Mill Boost For McKenzie

Production to Be Definitely Lifted This Year, Meeting Learns

Production will be increased by McKenzie Red Lake Gold Mines this year, shareholders were told by M. F. Fairlie, managing director, at the annual meeting. Size of the mill increase will be determined when the new northeast shear zone has been further developed.

While 90% of ore milled in recovering $5.2 millions of gold to the end of 1940 came from above the 650-ft. level, there is no reason to believe that the new levels below will be less productive, it was stated, and ore is still being developed on upper levels.

Two Years' Ore Opened

The 2,728 ft. of ore developed in 1940 represents two years' milling requirements at the present rate, according to Mr. Fairlie. The total of 900 ft. of ore developed in the first quarter of 1941 represents opening of ore at still higher rate and exceeds the footage of ore opened in the first quarter of 1940.

The new ore structures indicated by diamond drilling mentioned at the last annual meeting have now been reached by crosscuts on the 450, 650, 850 and 1,050-ft. levels. Drifting has been limited to date except on the 650-ft. horizon, where one ore structure shows 837 ft. of ore of mine grade. The last 60 ft. of this ore has averaged $17.70 per ton across an average width of 4 ft. with the north face still in ore. Only one raise has been completed between levels from the 650 to the 450-ft. horizon and it was in ore all the way. Muck sent to the mill averaged 0.44 oz. per ton.

Bullion production in the first quarter of 1941 amounted to $245,975 from 19,407 tons of ore milled for an average recovery of $12.67 a ton.

On the 850-ft. level in the new zone, work is directed to proving the downward continuation of the new ore. Structural conditions are similar to those disclosed on the 650-foot level and although 60 ft. of ore has been indicated in drifting, there has not been sufficient work done to assume that this is part of the same ore body.

It is estimated that an operating profit of over $20,000 monthly is being obtained at McMarmac Red Lake Gold Mines.

Hudson Bay Net Shows Increase

Earnings of $1,662,135 for Hudson Bay Mining and Smelting Co. the first quarter of 1941 were equal to 60 cents a share against only 50 cents a share the corresponding quarter of 1940. With fixed prices being received for most of the company's output, it appears that proceeds of increased production is more than offsetting effects of sharply higher taxes.

In spite of the increase in the milling rate during 1940, ore reserves were well maintained last year, President R. H. Cumming told shareholders at the annual meeting.

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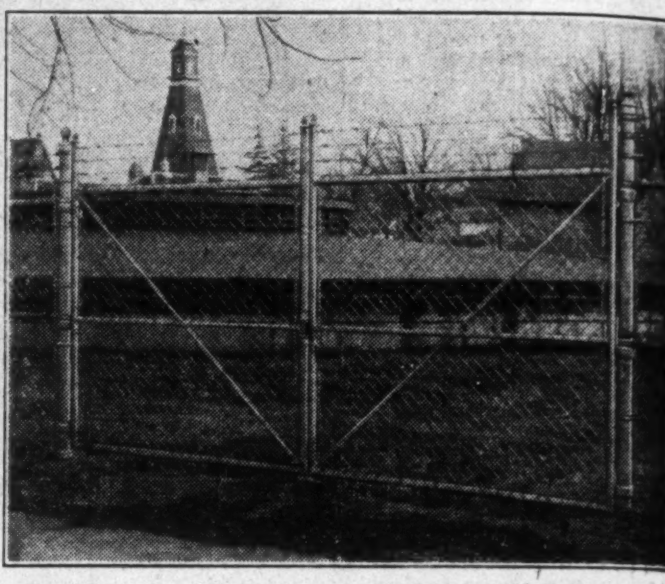

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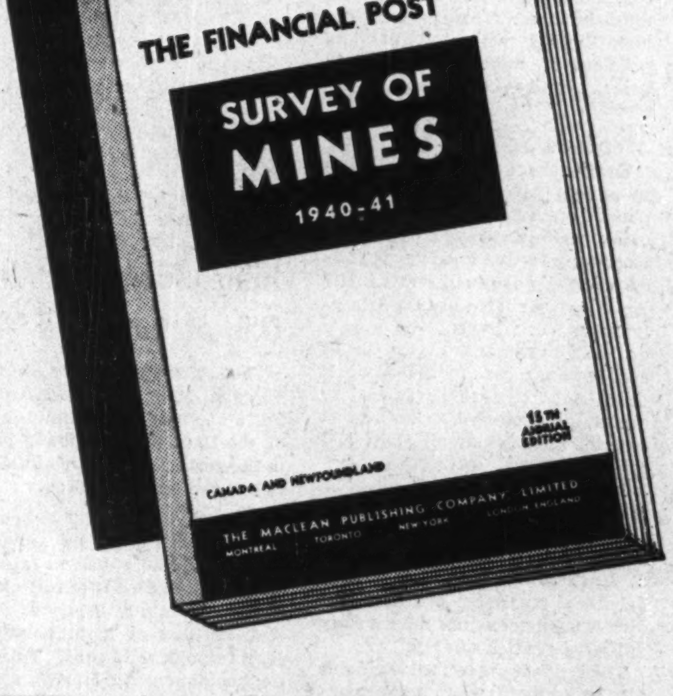

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Management Stressed as Guide to Mine Investor

Eighth Honorable Mention Winner in Post's Contest

This week The Financial Post presents the eighth of the honorable mention portfolios in its contest on "Investing in Canada's Mines." The entry is that of R. A. Parkinson, statistician of C. R. Jenner & Co., Toronto.

As was the case with prize-winning entries and portfolios published here in recent weeks, opinions expressed are those of the writer and do not necessarily represent those of either The Financial Post or the contest judges.

By R. A. PARKINSON

These Stocks Picked For $25,000 Investment

Shares	Company	Price When Chosen $	Cost $	Annual Return $	Yield %	Price Now $
80	Dome Mines	23.75	1,900.00	160.00	8.4	21.25
150	Hollinger Consolidated	12.75	1,912.50	165.00	8.6	12.75
40	McIntyre Porcupine Mines	47.50	1,900.00	88.80	4.7	47.87
250	Wright-Hargreaves Mines	6.55	1,637.50	175.00	10.7	5.40
150	Bralorne Mines	9.85	1,377.50	180.00	13.1	9.80
500	Central Patricia Gold Mines	1.77	885.00	115.00	13.0	1.72
400	San Antonio Gold Mines	2.37	948.00	80.00	8.4	2.30
150	Lamaque Gold Mines	4.85	727.50	75.00	10.3	4.20
400	Little Long Lac Gold Mines	2.00	800.00	120.00	15.0	1.90
200	Macassa Mines	3.95	790.00	70.00	8.9	3.80
250	Ventures	3.50	875.00	37.50	4.3	3.30
40	Noranda Mines	55.25	2,210.00	160.00	7.2	52.25
65	International Nickel of Can.	34.00	2,210.00	143.00	6.5	32.00
50	Consolidated Mining & Smelt.	37.00	1,850.00	112.50	6.1	34.00
			20,023.00	1,681.80	8.4	
	Bargain Hunting List					
650	East Malartic	*2.00	1,300.00	195.00		2.35
500	Kerr-Addison	*2.45	1,225.00	75.00		3.95
600	Preston East Dome	*2.15	1,290.00	120.00		2.99
800	MacLeod-Cockshutt	*1.45	1,160.00	160.00		1.65
			4,975.00	550.00	†	

Total investment fund—$24,998.00.

† Average yield on growth stocks if obtained at proposed bargain prices—11%.
* Price listed is proposed purchase price in future.

The businessman to be served by contest portfolios is described as "knowing little of mining investment and its particular characteristics." Such a man ideally would keep his mind perfectly open on a general mining investment policy until he learned how mining investment is carried on by experienced mining interests.

Such groups are able to combine opportunity for careful appraisal with mining brains and have large sums of money available for investment and speculative purposes.

It is unfortunate for our purposes that Canadian mining companies are not required to list their investment holdings in annual reports to the shareholders. However, the information in the table below is from the last available balance sheet of 16 Canadian mining companies, with holdings of bonds and shares valued at the market price at the date of the last balance sheet.

MINING COMPANY INVESTMENTS

	Invested in subsidiaries Shares $	—Other Investments— Bonds $	Shares $	Other securities $	Ratio of cash to investment
Cons. Smelters	8,860,300	91,100	857,500	......	1 to 10
Dome	5,100,000	3,895,800	2,219,200	......	1 to 2
Hollinger	......	945,300	5,520,300	1,127,900	1 to 4
Inter. Nickel	......	548,735	......	1,212,900	25 to 1
Lake Shore	......	150,900	438,000	......	8 to 1
McIntyre Porcupine	......	8,870,600	......	9,098,500	1 to 17
Noranda	7,225,300	......	......	5,002,400	1 to 3
Teck-Hughes	11,120,000	3,326,400	134,500	......	1 to 23
Hudson Bay	168,800	2,732,500	......	......	1 to 1
Wright-Hargreaves	......	351,300	......	......	17 to 1
Howey	......	10,200	2,022,000	......	1 to 3
Sylvanite	2,255,800	127,000	......	......	1 to 10
Anglo-Huronian	......	......	4,570,400	......	1 to 16
Sudbury Basin	6,400,000	......	184,400	......	1 to 70
Towagmac Exploration	733,000	......	......	......	1 to 56
Ventures	13,403,000	133,600	......	......	1 to 45

Hollinger's large share allotment is invested in International Bond and Share, an American company. The large amount shown by Dome Mines for shares under "other investments" is also in American companies with the exception of 5,000 shares of McIntyre Porcupine.

Hudson Bay and Wright-Hargreaves have no mining share holdings, and the amount for Lake Shore represents book value rather than market value.

Aiding Subsidiaries

The substantial share holdings shown for Teck Hughes, Sylvanite, and Dome as investment in subsidiaries, represent the successful carrying of subsidiary companies through to the production (and hence profit-making) stage of development. A less successful example of the same policy is provided by Towagmac Exploration Co. The large shareholdings figure shown by Consolidated Mining & Smelting represents, in the main, western interests.

Howey Gold Mines has a large shareholding consisting principally of East Malartic shares bought at a time when fine production potentialities were assured. Anglo-Huronian, Sudbury Basin and Ventures, have had similar successes and taken together their holdings cover the following companies.

Kerr-Addison, Lamaque, Sigma, Yukon Consolidated, Falconbridge, Canadian Malartic, Sherritt Gordon, Coniarum, La Luz, Matachewan Cons., Lake Dufault, and Hoyle. All are gold producers in Ontario and Quebec except Falconbridge (nickel), Sherritt-Gordon (copper), and Lake Dufault (base metals).

This brief analysis gives us some idea of the outstanding mine-making feats which have been accomplished by Dome, Teck Hughes, Sylvanite, Ventures, Sudbury Basin, and Anglo Huronian. Noranda deserves special mention in this regard, although the table does not show the long string of Noranda successes.

Lessons of Evidence

On the basis of the evidence disclosed by this table there is a strong temptation to place the whole $25,000 in so-called businessmen's investments, namely, securities which have attained a certain minimum return but which still have wide possibilities of appreciation.

On the other hand this table provides concrete evidence of caution on the part of a number of experienced mining interests. No doubt there are several explanations of the preference of International Nickel, Wright-Hargreaves and Lake Shore for cash, as opposed to well-selected mining shares, as well as the preference of Hudson Bay for bonds instead of shares, and the liking of Dome and Hollinger for American securities.

It is my belief that the average Canadian businessman under the strain and uncertainty of existing business conditions, would be wise to forego the extra profits he might well obtain by concentrating strictly on businessmen's investments, as defined above. After all the successful outcome of a number, or even one of such commitments, might well necessitate constant intelligent supervision coupled with sufficient mining experience to interpret correctly unfavorable development news.

The fact that our particular businessman has a good income from his own business, and from a well-selected portfolio of other investments, does not mean that he should expose himself to unwarranted risks with regard to his mining investments. This view is, in my opinion, strengthened by the fact that his prime purpose is to "obtain greater diversification and to hedge against inflation and other unknowns."

Management and Reserves

I would suggest, therefore, that the emphasis in our investment list should be placed upon soundness of management where combined with extensive ore reserves. Well-established gold producers with impressive dividend records, have proved beyond any question of doubt that their management is in each case in extremely capable hands.

No one knows just what strains will be imposed on mining management before the war is over, to increase production to the utmost, and at the same time effect saving in per ton costs where possible. Gold production is absolutely essential to even a partial solution of our foreign exchange situation. It seems reasonable to assume that no new taxation, which would have the result of leaving unmined any gold ore which is close to the profit margin, will be enacted by the Canadian Government. The latest taxes imposed had the broad effect of absorbing a large part but not all of the profits arising from the 10% increase in the price of gold. Special provisions have been enacted to make sure that in no case will the new taxes reduce earnings below the pre-war level.

Hedge Against Inflation

For the purpose of providing a solid hedge against inflation and the uncertainties of a war economy, I would invest 35% of the total fund in the shares of the following carefully selected gold mining companies: Dome, Hollinger, McIntyre, Wright-Hargreaves, and Bralorne.

In addition to sound management over a difficult period we must make some provision for continuity of mining operations, and hence earnings, over a considerable period of time. Base metal mines offer this assurance to a much greater degree than gold mines, due to the greater ease with which they can estimate their ore reserves many years ahead of current operations.

Counterbalancing this advantage minor fluctuations in base metal prices cause large fluctuations in mine earnings. Existing base metal prices are low, due to the patriotic manner in which Canadian base metal producers have contracted with the British Ministry of Supply for a large percentage of their yearly output. This factor is largely offset in the present prices of base metal shares. I would therefore invest 25% of the total fund in Noranda, International Nickel, and Consolidated Mining & Smelting.

Offsetting Losses

Since this investment is being made by a businessman, it is not necessary to set any particular time limit during which the fund must be maintained largely intact. Losses are bound to occur, however, and there is only one way to offset these prospective losses, and that is by having some of the companies in our list succeed magnificently.

The first group of junior golds relied on to bring this all-important growth feature into the list will be those believed not yet to have reached a stable earnings position and still have growth possibilities, but have paid dividends over a reasonable period. It will be noted that this allows inclusion of a strictly holding company, and does not restrict our list to producing gold mines. For this purpose I believe 20% of the fund should be invested in Central Patricia, San Antonio, Lamaque, Little Long Lac, Macassa and Ventures.

This leaves 20% to be invested in junior golds which have not yet achieved much of a dividend record, but which have developed so favorably to date as to justify the assumption that the shares have excellent appreciation prospects. There should be no scarcity of ore or financing difficulties connected with any of these companies. Time to work out a completed mining picture is, however, necessary, before earnings prospects can be accurately predicted. In this list I would include East Malartic, Kerr-Addison, Preston East Dome and MacLeod-Cockshutt.

Deferred Buying

Recently so many public figures in Canada, the United States and England have stressed the imminence of an invasion attempt by Germany that the market seems to be committed to at best a watchful attitude over the next few months. Under these circumstances I would prefer to attempt to purchase these shares well under existing prices before the middle of June, 1941, and if not, then at the market price at that time. I would suggest that a 30% decline in existing prices would represent an excellent level, bearing the following relation to 1940 lows:

	Buy at	1940 low
Kerr-Addison	$2.45	$1.20
East Malartic	2.00	1.95
Preston East Dome	2.15	1.30
MacLeod-Cockshutt	1.45	1.00

I believe that holding 20% of the fund for a period of 4½ months is the safest method of trying to obtain capital appreciation under existing conditions.

If normal mine financing conditions existed, or if the Government had formulated a definite policy of assisting mining prospects with favorable underground development results, to get into production, I would include some speculative shares selling under the $1 mark in our list. As conditions are at the present time such a step does not appear to be warranted.

A fairly comprehensive picture of the manner in which Canadian gold mines find it economically possible to block out only a certain amount of ore ahead of current work is shown by official ore reserve statements issued annually. Table below shows how ten of the 18 mines on our list have managed to replace these reserves as milled between 1937 and 1940.

Ore Reserves

Mine:	1937 —Tons—	Date	Mill. supply (years)
Dome	2,250,000	12/36	4
Hollinger	7,257,000	12/36	4
McIntyre	3,592,000	3/37	4
Wright-Harg.	1,352,700	8/36	4
Bralorne	505,000	12/36	3
Central Patricia	172,200	3/37	2½
San Antonio	226,675	12/35	2
Lamaque	472,178	1/37	1½
Little Long Lac	396,400	1/37	4
Macassa	188,600	12/36	3
	1940		
Dome	2,567,000	12/39	4
Hollinger	7,458,739	12/39	4
McIntyre	4,245,466	3/40	4
Wright-Harg.	1,431,464	7/40	4
Bralorne	710,000	12/39	4
Central Patricia	360,695	12/39	3
San Antonio	491,486	12/39	4
Lamaque	906,068	11/40	2
Little Long Lac	403,878	12/39	4
Macassa	378,580	12/39	2½
East Malartic	2,912,725	12/39	6
Kerr Addison	2,636,469	12/39	6
Preston E. Dome	564,400	12/39	3
Macleod Cock.	797,000	9/40	3½

It will be noted that while Dome, Hollinger, Wright-Hargreaves and Little Long Lac maintained their ore reserves satisfactorily, through normal depth development, substantial gains were reported by McIntyre, Bralorne, Central Patricia, San Antonio, Lamaque and Macassa.

Since Ventures is a holding company its life depends upon the life of its subsidiaries, consisting of Coniarum, Falconbridge, Hoyle, La Luz, Matachewan Consolidated and Sudbury Basin. The present outlook for La Luz justifies a fair degree of optimism, regarding the outlook for the company controlling its fortunes.

The base metal mines on our lists have huge ore reserves as follows:

Noranda—29,513,000 tons, or 16 years' milling supply.

International Nickel—224,594,000 tons, or 30 years' milling.

Consolidated Smelters—20 years' milling supply.

Effect of Taxes

Mining companies to date are permitted a depletion rate of 33-1/3% of operating profit deductible before income and excess profits taxes. Shareholders in addition are all owed a depletion deduction of 20% on dividends received from mining companies.

In view of the difficulties attending an estimate of the productive lives of 18 different mines I would prefer to set a satisfactory rate of interest as desirable; and then calculate how long our mines must maintain existing dividends to yield that rate and return the capital invested at the end of the period. Taking the present cost of the immediate investment recommended as $20,000, and our interest return as $1,682 annually, let us assume that sinking fund payments can be compounded half yearly at 4% per annum. I do not believe that this accomplishment is too much to hope for, particularly if our bargain-hunting efforts are successful.

Smelters Head Advocates Base Metals Tax Change

Special tax consideration for base metal producers as well as gold producers was urged by S. G. Blaylock, president of Consolidated Mining and Smelting Co. at the company's annual meeting last week. Mr. Blaylock in a broad discussion of taxation advocated both widening the special tax consideration to cover all companies with depleting assets and curtailment of all non-essential government expenditures during war.

Discussing the problem of taxation further, Mr. Blaylock stated:

"The amendments to the excess profits tax recently forecast by Hon. J. L. Ilsley, Minister of Finance, will certainly make the act more equitable. However, the act could still be improved by modifying its application to the primary products such as mining.

"When it is in the national interest that increased production should be obtained from depletable assets such as ore deposits, it is of the utmost importance that such extra production should not be subjected to proportionately higher rates of taxation. The act recognizes this principle in the case of gold mines and oil wells, but not in the case of producers of other mineral products.

Working for Government

"As a contribution to the war effort, your company has been building and will operate quite extensive plants for the Government. No profit will be made on either the construction or the operating of these plants. Besides this work a large number of the company's young engineers have been released to the Government for various duties. There has been no noticeable loss in efficiency in our regular operations through taking over this additional work. Some of the new plants mentioned are completed and operating. Provided the materials and machinery can be supplied on time, the last of these plants will be in operation the latter part of this summer.

"It may be stated that in general, rate of operations in practically all departments was higher than normal. Since the end of last year there has been no change in the operations of the plants, and it is hardly necessary to say that the active demand for our product is continuing. Most of our production of base metals is being delivered against our contracts with the British Government."

At the Con property steps are being taken to increase capacity from 125 to 350 tons per day. A new headframe, hoist and compressor will be installed. Roasting equipment is being installed to treat a substantial tonnage of refractory ore. A decision has been reached to increase production from the company's Pinchi Lake mercury property.

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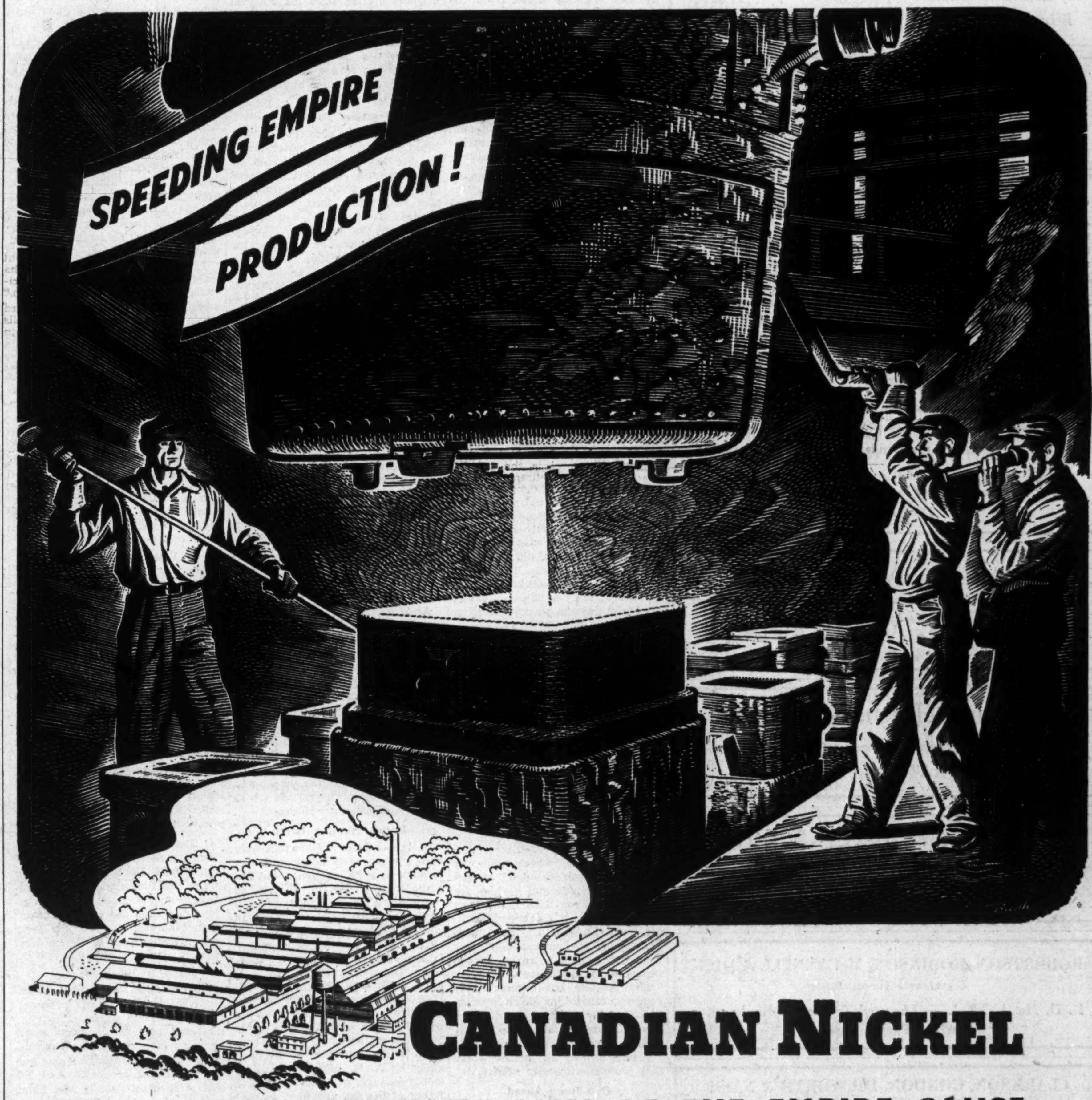
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CANADIAN NICKEL
IS A STAUNCH ALLY OF THE EMPIRE CAUSE

Pouring a 7-ton "Monel" Ingot in the Huntington, West Virginia Works of The International Nickel Company, Inc. From this ingot will be fashioned a shaft 40 ft. long and 7¾ ins. in diameter.

Forty acres of surging industrial activity! Forty acres of crushers, grinders, roasting and melting furnaces; of steam hammers raining eight-ton blows on white-hot ingots; of five-foot ribbons of "Monel" sheet curling from the rolling mills; of miles of rods, tubing, wire and other shapes! Such is the Huntington Works of The International Nickel Company, strategically located in West Virginia because the surrounding industrial districts comprised the world's greatest market for "Monel" and Nickel, and because an abundance of low-cost, sulphur-free natural gas was available there.

Today this mill and its mother mines, smelters and refineries in Canada are sending an ever-increasing flow of Nickel to industrial Canada, United States and Britain. Since the front line of battle is in our industries, the 20,000 employees of The International Nickel Company take their places proudly alongside our armed forces. In time of peace, Canadian Nickel assists industry to achieve increased efficiency and economy. In war, it is of vital help in the Empire's drive to victory.

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PROFESSIONAL DIRECTORY

CHARTERED ACCOUNTANTS

The Auditor and the Shareholder

During recent decades industry in Canada and in other countries has expanded to degrees undreamed of a half century ago. The individual engaged in manufacturing and furnishing his own capital has been replaced almost altogether by the incorporated company of large scale operations, made possible by the sale of its capital stock to hundreds or thousands of investors. In the former case the individual keeping his own accounts was aware of the condition of his business at any time. In the latter, the situation became different and, unless provision was made against it, the shareholders could be kept ignorant of the progress or otherwise of their company.

The Government from whom incorporated companies received their charters anticipated such a possibility, and in consequence provision was made in the companies acts of the Dominion and the provinces that the accounts of corporations are to be audited annually and that the auditors shall report to the shareholders on those accounts at the annual meeting of the company.

Speaking generally, it is not so important what rules or accounting conventions are adopted by a corporation in reporting its annual earnings as it is that accepted principles of accounting shall be followed and followed consistently. The shareholder need not be greatly concerned over which of two or more methods is adopted, say, of providing annual depreciation on the firm's fixed assets, or whether the cost of goods on hand is determined on the theory that the first goods in are the first goods out or that the last in are the first to go out. What is important is that he be advised of any inconsistency in these respects that would affect the results of his company as reported in the annual financial statements. That is one of the duties of the auditor, and this illustrates one of the functions of the chartered accountant in carrying out the statutory provisions of the companies act.

One of a series of brief discussions of the work of the professional accountant.

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"Making" War Workers — VII

New Keymen Found Vital Asset

War Emergency Boosts Value of Long-term Training

This is the seventh of a series of articles on how war factories and plants in allied industries have met the intensified demand for skilled and partly skilled workers, through their own training systems.

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

There are two horns to the dilemma of how to muster enough qualified workers for Canadian wartime industry.

In the public spotlight for some months past, as the most immediate and extensive phase of the problem, has been the task of recruiting and training the mass of new workers for the rank and file of Canada's labor army. In the main, these recruits have been untrained or only partly trained when enlisted, and have had to be converted quickly into workers of at least moderate skill by short, intensive training.

This has been accomplished largely by industry itself. Employers have "made" war workers through plant schools and other factory training programmes, and upgrading of trainees on the "learn as you work" principle. War supply factories have done the final phases of the advance work which has basically fitted recruits in regular technical school courses and, to an increasing extent, in the training centres of the Government war emergency training programme.

Need Other Groups

But the "quickies" thus drafted form only one group—though the most important numerically and as a mass training problem—of the several needed to swell output of war plants.

By and large, the combination of outside pre-training with final plant instruction has been sufficient to develop partial skills for particular operations, to create workers who might be rated as semi-skilled but often have merely the minimum skill for a specific machine operation or type of work.

The second horn of the dilemma is equally important—and perhaps the sharper. This is the critical shortage that has developed since the war started of fully skilled craftsmen in the various basic trades, and qualified keymen for the "pivot" and supervisory posts in industry.

Vital to Production

Such men are vital both to the performance and the active direction of the most essential phases of production, not only in war factories and auxiliary plants, but in secondary operations and regular industry as a whole. It takes a few months, or at most a year, to create the partly skilled workers forming the bulk of new war labor. It means a minimum of three to five years training and experience to develop the fully skilled men for the key jobs.

When the war began, there was a limited number of such men in the country, and their ranks were subject to the inroads of old age, death and disabling accidents. Their ranks were being replenished hardly at all because of the negligible extent of long-term training plans in industry.

It has become virtually impossible to find workers of this type, free for hiring, and all the jobless and part time craftsmen-keymen have become full time workers with a premium on their services.

Various emergency methods have been adopted by war factories and other plants to meet the shortage. Men were shifted from one part of the country to another, and raids on the personnel of war plants and regular industry were frequent until the Government curbed this practice.

Job Analysis

In many cases where vital war work was involved, nuclei of specially skilled men and keymen for supervision have been created by bringing specially competent workers from England or the United States; or by putting top rank workers through intensive special instruction in British or U.S. plants.

The practice has become fairly general of breaking down production work by job analysis, allotting less intricate operations to partly skilled helpers, and concentrating the skilled men on phases where they were most vitally needed.

One Jump Ahead

In this emergency, a major advantage has been enjoyed by certain larger and more foresighted concerns in various industries. These had the vision and initiative in past years to establish well-planned systems of apprenticeship training. Within their own plants they have had an extra source of new skilled men. They have had a cushion which has at least partly protected them against the impact of acute demand.

Dovetailed with other means of enlisting keymen, and in some cases with the "quickie" methods of training partly skilled men, the long-term apprentice and related training plans have been a basic aid in solving wartime production problems.

Outstanding Instance

A notable example of plants which are reaping the fruits of an established apprentice plan and finding it an important help is the big main plant of Dominion Bridge Co. at Lachine, near Montreal.

This plant is not producing equipment or materials to meet the primary needs of war, but it is producing important components and supplies for war factories proper, and contributing to the secondary needs of the war supply effort—marine and industrial boilers; industrial container tanks; structural steel and related requirements for new war factories, military structures and other construction war needs; and various other supplies.

Payroll Tripled

Productive capacity of Dominion Bridge at Lachine has been enormously enlarged. The payroll has been tripled, from about 500 men in normal pre-war times to 1,500 workers, an important proportion of whom are skilled.

In the early period of the war, the plant was able to build up its labor strength with additional qualified workers drafted from the reserves available in the Montreal and adjoining districts. But this has become increasingly difficult. The company has had an ace in the hole and has reaped the benefit of the apprentice training plan it established over five years ago.

Fruits of Foresight

The start of the plan (Feb. 1, 1936) could not have been better timed, for the first graduates wound up their training and were mustered into regular production during the past year, when they were most needed. To date a total of 25 men have gone through the four-year courses of apprentice shop training and related instruction. Of these, 10 were taken from the company through enlistments in the armed forces, mostly before they finished their courses. But the plan has added 14 apprentice graduates to the company's production forces, half of them already in key positions in the plant and others doing skilled jobs while preparing to become keymen.

Another 20 graduates are slated to complete their training in the current year, at intervals of three to four months. Along with the 14 already in jobs, they give Dominion Bridge an invaluable extra margin of specially trained skilled workers and keymen. Still more important in the long term view, the system is progressively building up a nucleus of top-flight men, practically but broadly trained to meet the most exacting needs.

Comprehensive Plan

An important feature of the Dominion Bridge plan is that it is not designed solely to impart skilled manual mastery over particular trades or operations.

Apprentice training not only provides three and one-half to four years of thorough training to develop full manual skill, but is allied with extensive related instruction in classrooms and through home study. This parallel training gives instruction in the theory and scientific basis of the various trades and in supplementary subjects.

Broad Training Given

In the end the trainee not only knows what he is doing and how to do it in a manual sense, but has a thorough grasp of the broad "whys" of his work and its relation to the broad function of his plant and his industry as a whole.

The printed texts, graphic material and other requirements for classroom and home study are supplied by International Correspondence Schools, in collaboration with the plant. The material furnished by I.C.S. was specially selected to meet the requirements of the Dominion Bridge course, after intensive study by A. H. Munson, assistant works manager of the company and father of the training plan, in consultation with J. B. Churchill, vice-president of the Canadian unit of International Correspondence Schools.

The cost of the supplementary related instruction is deducted in modest monthly amounts from the apprentice shop wages of the trainees, but entirely refunded on successful completion of the course. Apprentice wages start at about 25% of the rates for skilled men in the different trades involved, but are built up to 75% by the end of the courses and average around 50% over the course as a whole.

System Can Be Speeded

The standard period of apprenticeship is four years, but this has been reduced to about 3½ years in some cases by overtime work and other means of speeding the training; by the expansion and faster tempo of plant operations; and by credits given for previous technical training. A total of 9,360 working hours is stipulated to complete apprenticeship courses, but this is reduced by credits of 675 hours for trainees with three years' previous training in technical school, or 1,350 hours for four years similar pre-education. Such advanced-trained apprentices are also given higher wages than those starting in from scratch.

Starting off five years ago with an initial strength of 25, the apprentice school enrolment is now maintained at approximately 45 students who get training in the following trades and subjects: Structural steel, tank and boiler making, machinist, building construction and property maintenance, mechanical and electrical maintenance, welding, heat treating, forging and blacksmithing, pattern making.

Supplementary courses in industrial management and shop economics enable more promising men to expand their broad job intelligence with a grasp of the fundamentals of plant operation and the function of supervisors, foremen and other keymen.

Lengthy Planning

The classroom work consists of four hours a week, given on Saturdays, under the direction of an apprentice teacher who was enlisted from the senior plant staff. The entire programme is under the supervision of Mr. Munson, assistant works manager, in his capacity as apprentice supervisor. Mr. Munson spent fully 18 months analyzing the problem, plotting the basic plan and methods to be employed, and working out the shop work and related teaching in detail, before the plan was actually launched.

The exceptionally thorough training given by Dominion Bridge has attracted growing attention from other concerns faced with a skilled labor problem, especially since the war began. It is now too late for new plans to benefit the plants involved for war work but recognition is being given to the value of such schemes in the years to come after the war.

Not only do such plans build up a reserve of skilled workers and supervisory key men, especially to replace the men lost to industry through old age, death and disability, but they are conceded to be a vital factor in stepping up the productive efficiency of the men and machines which are the basic assets of industry.

Value in Emergency

The worth of such systems in meeting wartime emergencies has been demonstrated by the Dominion Bridge plan and a few other larger plants in various industries. They can be of still greater value in post-war years in enabling Canada to capitalize most fully on its resources and industrial opportunities, and to hold its position in the intensive competition for world trade when peace comes again.

As to the benefit conferred on the workers themselves by thorough shop training and allied technical education, this is summed up tersely in one of the bulletins presented to the Dominion Bridge apprentices when they enrol.

> "There will always be a place in industry for men who thoroughly understand all branches of their trade and the relation of one process to another; men who are capable of a high degree of accuracy; men who can perform the tasks assigned to them in a minimum period of time—craftsmen in the real sense of the word."

The broad instruction of the Dominion Bridge and similar programmes discards the argument that the increased precision and automatic accuracy of machines have obviated the need for thorough training of new industrial artisans. And the cost of such schemes is now being recognized much less in the long run than the trial-and-error school of experience methods which are useful chiefly to give skill of hand but not "job intelligence."

Montreal Home Vacancies Reach Nine-year Low

Growing scarcity of residential accommodation in the metropolitan area of Montreal is shown by the annual survey of premises supplied with gas and electricity. The survey has been made each year since 1932 by Montreal Light, Heat & Power Consolidated.

Figures for 1940 reveal a nine-year low in residences and apartments available for renting, with other categories also near the low. All categories except stores showed fewer vacancies in 1940 than at the end of 1939. Vacancies in Montreal proper numbered 3,037 premises; those in other municipalities served by Montreal Light, Heat and Power amounted to 511, making a total of 3,548 for the Metropolitan area.

The statistics reported by the utility company are as follows:

Yearly Vacancies

	1940	1939	1938	1937	1936	1935	1934	1933	1932
Residences	1,332	1,568	1,874	2,304	3,912	6,035	8,156	9,800	10,600
Apartments	355	444	442	379	464	466	522	1,650	2,450
Offices	651	671	654	594	855	878	952	950	1,000
Stores	904	887	867	1,068	1,191	1,323	1,322	1,450	1,100
Misc.	306	330	270	230	266	254	200	227	139
Total	*3,548	*3,900	*4,107	*4,575	*6,688	*8,956	*11,152	†14,077	†15,289

†Montreal only. *Metropolitan area.

Public Utility Earnings

Southern Canada Power

March:	1941 $	1940 $
Gross earnings	238,875	216,175
Less: Oper. exp.	70,068	74,075
Taxes	51,945	39,228
Net earnings	116,862	102,872
Less: Int., deprec. & divds.	112,009	111,152
Surplus	4,853	*8,280
Six Months Ended Mar. 31:		
Gross earnings	1,458,942	1,320,960
Less: Oper. exp.	415,851	426,428
Taxes	344,336	207,050
Net earnings	698,755	687,482
Less: Int., deprec. & divds.	674,737	669,492
Surplus	24,018	17,990

*Deficit.

British Columbia Power

March:	1941 $	1940 $
Gross earnings	1,524,907	1,397,739
Less Expenses	1,092,796	981,957
Int. & pref. divds.	186,665	187,665
Bal. for A stk.	245,446	228,117
Three Months Ended Mar. 31:		
Gross earnings	4,609,495	4,181,285
Less: Expenses	3,303,132	2,916,854
Int. & pref. divds.	561,997	564,997
Bal. for A stk.	744,366	699,434

Ford Delivers More Trucks

First Quarter Shows Commercial Units Up 32% Over 1940

Retail deliveries of new trucks and commercial units by the Ford Motor Co. of Canada in the first quarter of 1941 were up 32% compared with this same quarter in 1940, according to R. M. Sale, sales manager. A large part of the increase in truck sales is due to the needs of Canadian industry for the transport of goods and materials used in war production.

In March dealers report an increase of 60% in retail deliveries of commercial units over March, 1940. In the first two months of this year Ford accounted for 38% of the total sales of commercial units by the Canadian industry, as compared with 33% in January and February, 1940, states Mr. Sale. The Canadian automobile industry as a whole shows a 20% increase in commercial registrations for the same period.

The company has expanded its manufacturing facilities at Windsor sufficiently to provide for production of civilian units without interfering with the output of mechanical transport for military requirements.

C.N.R. Net Revenue Shows Sharp Rise

Up $2,9 Millions in March to $4.9 Millions — Doubled in Quarter

From Our Own Correspondent

MONTREAL. — Net revenue of Canadian National Railways all-inclusive system in March increased $2.9 millions over the same month last year to $4.9 millions.

Operating revenue rose by $5.5 millions to $23.5 millions, but operating expenses were up $2,5 millions to $18.6 millions.

In three months to March 31 net revenue increased by $5.3 millions to $10.7 millions. Operating revenue was up $11.3 millions during the quarter, while operating expenses rose by $6.1 millions to $54 millions.

Operating Statement

March:	1941 $	1940 $
Oper. revenue	23,528,006	18,049,624
Oper. expenses	18,595,951	16,046,647
Net revenue	4,932,055	2,002,977
Three Months Ended March 31:		
Oper. revenue	64,698,467	53,374,115
Oper. expenses	54,006,902	47,936,154
Net revenue	10,691,565	5,437,961

B. C. Telephone Plans Submarine Cables

From Our Own Correspondent

MONTREAL.—British Columbia Telephone Co. has deposited with Dominion Miinster of Public Works plans for two telephone submarine cables to be laid across Vancouver harbor. It is the intention to proceed immediately with this work once the necessary approval has been received.

Geo. Weston Ltd. Costs Rising

Bread Prices Still Out of Line With Higher Costs —Sales Up 16%

Satisfactory progress in the first quarter of 1941 was reported by J. A. Gardner, chairman of the board; George Weston Ltd., at the annual meeting.

In 1940 the company was faced with rising material and production costs in all lines, and the difficulty of adjusting sale prices. Prices on biscuits and candy in Canada and the United States are now reasonably satisfactory, according to Mr. Gairdner, but bread prices, particularly in Ontario, have not been adjusted sufficiently to absorb increased costs.

Production in 1940 amounted to over 97,000 tons, an increase of 12.8% over 1939, and dollar value of $25.3 millions was up 16.5%. With such tonnage, the increase of even a fraction of a cent per pound has a tremendous bearing on earnings, Mr. Gairdner stated.

Salamanca Plant Profitable

The George Weston Co. of Salamanca, N.Y., most recent acquisition in the United States, is now operating on a profitable basis. The plant contains the largest reel oven in the world and one of the largest conveyor ovens and will be a big factor in the company's U.S. production, according to Mr. Gairdner.

Capital expenditures during the year amounted to $440,178 for the completion and improvement of productive facilities. No new acquisitions were made during the year.

During the year $118,600 of the bonded indebtedness of subsidiaries was retired from sinking fund and the application of the proceeds of the sale of a Montreal property not used by the company. As further sales of unneeded property are effected, it is the intention to make further retirements of outstanding obligations.

Although current operations look extremely favorable, taxation uncertainties make predictions as to higher dividends unwise, according to Mr. Gairdner. The company paid $1.35 millions in taxes in 1940. The following growth comparison was given to the meeting by Mr. Gairdner:

	1940 $	1928 $
Sales total—net	25,304,778	2,631,623
Surplus	1,461,773	160,728
Total assets	9,253,915	1,967,086

Quebec Central Traffic Increase Reported

From Our Own Correspondent

MONTREAL.—Traffic of Quebec Central Railway Co., subsidiary of Canadian Pacific Railway Co., was substantially higher in 1940 than in the preceding year, a report at the annual meeting revealed.

Increase was principally in pulpwood shipped to paper mills in the United States. Asbestos tonnage decreased due to elimination of France, Germany, Belgium and Italy as importers. Passenger earnings increased because of generally better economic conditions and movement of soldiers to military camps.

Union Gas Co. Pays 20c Extra Dividend

Union Gas Company of Canada has declared an extra dividend of 20 cents a share, payable in Canadian funds along with the regular quarterly dividend of the same amount, on June 14, to shareholders of record May 20. Similar extras have been paid in June of each of the past two years, bringing the company's rate of payment on its common shares to $1 a share annually.

Earnings for the 9 months ended Dec. 31 last were $743,428 compared with $550,738 for the same period of 1939, in each case before taxes.

Dominion & Anglo Boosts Dividend

Dominion & Anglo Investment Corp. has declared a dividend of $2.50 a share on its common stock, payable June 2, 1941, to shareholders of record May 15. Only previous payment on this stock was the initial dividend of $1 a share, paid on June 1, last year.

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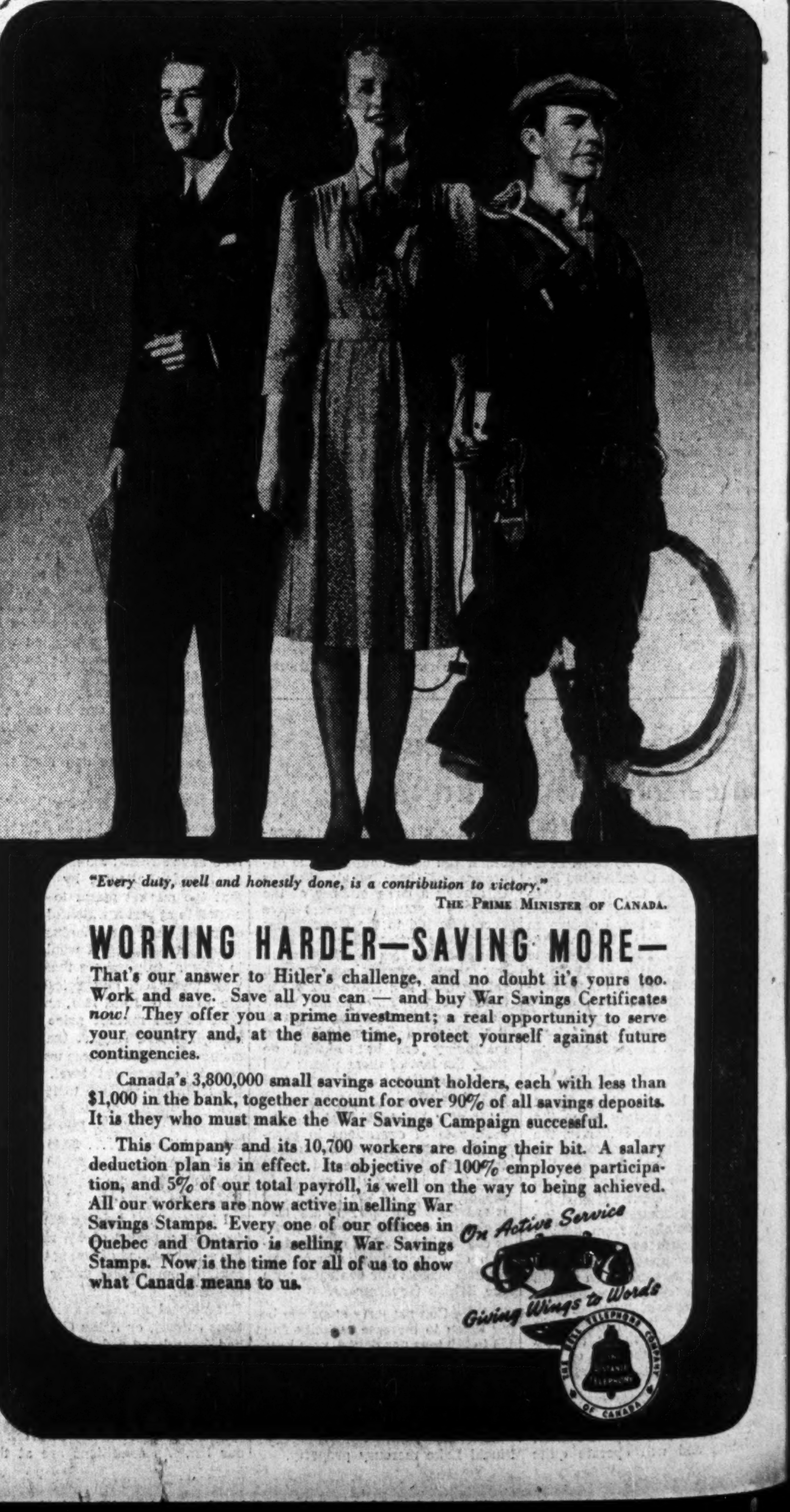

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THE PRIME MINISTER OF CANADA.

WORKING HARDER—SAVING MORE—

That's our answer to Hitler's challenge, and no doubt it's yours too. Work and save. Save all you can — and buy War Savings Certificates *now!* They offer you a prime investment; a real opportunity to serve your country and, at the same time, protect yourself against future contingencies.

Canada's 3,800,000 small savings account holders, each with less than $1,000 in the bank, together account for over 90% of all savings deposits. It is they who must make the War Savings Campaign successful.

This Company and its 10,700 workers are doing their bit. A salary deduction plan is in effect. Its objective of 100% employee participation, and 5% of our total payroll, is well on the way to being achieved. All our workers are now active in selling War Savings Stamps. Every one of our offices in Quebec and Ontario is selling War Savings Stamps. Now is the time for all of us to show what Canada means to us.